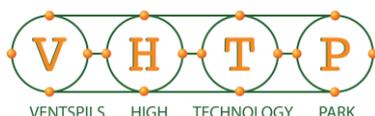


Assessment of the Transit Corridor Belarus – Latvia – Sweden within Baltic Loop

Case Study of the Freeport of Ventspils

March 2021
Ventspils



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List of Abbreviations

BKT – JSC Bulk Cargo Terminal (*Biriu Kroviniu Terminalas*)

BOC – Belarusian Oil Company

BSR – Baltic Sea Region

BTS – Build to suit investment

BZD – Belarusian Railways

CIS – Commonwealth of Independent States

CIT – Corporate Income Tax

CSB – Central Statistical Bureau of Latvia

DGG – Deutsche GVZ-Gesellschaft (*German Freight Centres Society*)

EAEU - Euroasian Economic Union

EFTI – Regulation on electronic freight transport information

EU – European Union

GDP – Gross Domestic Product

GVZ – Gunterverkehrscentren (*Freight Centres – German/English*)

IDAL – Investment and Development Agency of Latvia

ICT – Information Communication Technologies

KN – Klaipedos Nafta

LDZ Cargo – Latvian Railways Cargo

LR – Lithuanian Railways

RET – Real Estate Tax

SEZ – Special Economic Zone

UK – United Kingdom

VHTP – Ventspils High Technology Park

List of Interviews

1. Interview with an expert on port business Māris Katranži, 22.12.2020., 01.02.2021., and 18.02.2021.
2. Interview with an expert on Belarusian business Andris Spūlis, 15.01.2021.
3. Interview with ex-deputy head of investments department - National Investment and Privatisation Agency of Belarus Alexei Veluygo, 09.02.2021.
4. Interview with the Head of Investment Promotion Division of the Investment and Development Agency of Latvia Toms Stūrītis, 10.02.2021.
5. Interview with freight commercial manager at *Stena Line* Oskars Osis, 19.02.2021.
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Background and objectives of the Study

Baltic Loop is an international project that focuses on solutions improving and smoothening transport flows in three selected corridors to the West-East direction – Northern, Middle, and Southern – within the Central Baltic Region. Ventspils is also one of the points in Baltic Loop. One of the aims is also to make the corridors more attractive to new businesses and innovations. However, the project seeks to minimize the impact and number of different traffic hindrances or bottlenecks. The programme includes partners from Finland, Estonia, Latvia, and Sweden. The development of Baltic Loop includes several points: business models for smart and sustainable sea logistics and port operations, technical solutions along the corridors, and dialogue between different transportation actors.¹

Objectives

One can separate several aims addressed by the study. The first objective is to analyse the current cargo flows, bottlenecks and goods in the transport corridor Belarus-Latvia-Sweden pertaining to the Freeport of Ventspils, thus examining the competitiveness and potential of the transport corridor Belarus-Latvia-Sweden. The study will also consider what kind of goods are at the heart of the corridor in both directions and which new goods have the potential to serve the local freight market.

The second aim – to show what kind of companies would be ready to expand or to relocate to the territory of the Freeport of Ventspils, what kind of qualities and services these companies are waiting from the Freeport of Ventspils before the potential relocation and how the Freeport of Ventspils can interest and be more attractive for Belarusian and Swedish companies in order to establish a perspective and look at the potential of a Freight Village to be developed in Ventspils.

The third objective – to find potential Belarusian companies that would be ready to start negotiations about the relocation with the Freeport of the Ventspils.

¹ About Baltic Loop, The Baltic Loop, <https://www.balticloop.eu/index.php/about/>

Therefore, the study aims to increase the competitiveness of both the Freeport of Ventspils in the Baltic Sea Region and the transport corridor Belarus-Latvia-Sweden.

Material and methods

The following types of data sources and methods are used in the report:

1. Literature review.
2. Data of Latvian, Belarusian, and Swedish official institutions.
3. Data of non-governmental organisations in transport industry.
4. Information provided by official institutions and NGOs.
5. Interviews with logistics and port business experts.
6. Information provided by the Latvian, Lithuanian and Belarusian media.

Report structure

The report is divided into eight Chapters:

Chapter 1: offers the overview of Latvian ports and transit business and examines the volume of cargoes in Latvian ports.

Chapter 2: overlooks the Latvian and BSR port infrastructure.

Chapter 3: examines the volume of Belarusian transit to the Freeport of Ventspils, Latvia, and Lithuania.

Chapter 4: presents and examines the data on the transport corridor of Belarus-Latvia-Sweden.

Chapter 5: looks at and provides data on the road and railway infrastructure in Belarus, Latvia, and Lithuania.

Chapter 6: provides and analyses the data on the route Ventspils-Nynäshamn.

Chapter 7: analyses the potential of a Freight village in the Freeport of Ventspils.

Chapter 8: provides recommendations about the industries and enterprises that could be ready to settle in the freight village of the Freeport of Ventspils.

The study was prepared by SIA eMobility in 2020 - 2021.

1. Overview of Latvian port and transit business

1.1. Industry of ports in Latvia

Totally, there are ten landlord-type ports in the territory of Latvia: seven small ones and three major ports handling cargoes/freight services and providing other services, e.g. storage, ferry traffic, industrial diving, etc. Three big operators are Ventspils, Riga, and Liepaja. The small ones are Engure, Lielupe, Mersrags, Paviļosta, Roja, Salacgriva, and Skulte [Map 1]. These ports – to a lesser extent – are also working on cargo handling, however, some of them are fishing and/or yacht ports.

Ports are an important part of the total transit and traffic system of Latvia, which is well connected with railways and road systems [Map 1]. In turn, the railway system is strongly connected with the big ports only, thus ensuring a link with neighbouring countries (Russia / Belarus / Estonia / Lithuania).



Map 1: Latvian traffic system²

² Map of Latvian traffic system. Source: Ministry of Transport of the Republic of Latvia, <https://www.sam.gov.lv/lv/tranzits>

Overall, about [75%] of Europe’s trade with the rest of the world, and more than one-third of intra-European trade is shipped through the seaports. Many European seaports are home to vast industrial complexes, located in port areas with the aim to be at the crossroads of supply chains, and save transport costs and time.³ It is estimated that European ports’ investment needs to amount to [48 billion EUR] for the coming ten years.⁴ For European ports, an open trade environment is a priority, because any barriers to trade could be considered as an additional burden or loss of business for the aforementioned. Any geopolitical event may immediately affect a ports’ business.⁵

The Baltic Sea Region (BSR) forms economically, politically, and sociologically an integrated and stable geographic area, with a consumer base of approximately 100 million people. An advanced and well-working transport network is crucial for ensuring continued prosperity, growth, and further development of the region.



Map 2: The transit system of Latvia ⁶

³ Priorities of European Ports for 2019 –2024. What ports do for Europe What Europe can do for ports, Memorandum of the European Sea Ports Organisation for the new Commission and European Parliament, ESPO, May, 2019, P.12.

⁴ Ibid, P.23.

⁵ Ibid, P.75.

⁶ The Ministry of Transport of Latvia, <https://www.sam.gov.lv/en/transit>

Transport is also noted as one of the core fields in Latvian economics. According to the *National Development of Latvia, for 2021-2027*, transport infrastructure, and transport and logistics services directly impact competitiveness and economic growth by creating preconditions for the development of other sectors and investments that provide significant export revenues.⁷ Also, the advantage of Latvia in the competition for servicing of freights is its geographical location – by the Baltic Sea, on the axle which connects markets of Western Europe, Russia, and Asia [Map 2]. Transit traffic is dominated by means of railway freight carriage, mainly from Russia and Belarus via the East-West railway corridor to the ports of Latvia. However, according to the *Sustainable Development Strategy of Latvia until 2030* the potential of ports is not used to its full extent⁸. At this very moment transshipment capacities of freights are far from the maximum: in Riga around [50%], Ventspils – [25%], Liepaja – [65%] and minor ports – [70%].

In order to utilise the potential of ports to the fullest, new flows of cargo will need to be attracted, particularly from Asia and the Commonwealth of Independent States (CIS) countries. Together with the development of distribution and management centres for the flows of cargoes, this should increase the competitiveness of the ports of Latvia in comparison to ports of Klaipeda, Tallinn, and Helsinki, Primorsk, Baltiysk, and other ports of the BSR.⁹

According to the *Sustainable Development Strategy of Latvia until 2030* all three ports have a future development potential that could be closely related to the development of the cities. However, not always ports are directly mentioned as a part of the development. For instance, regarding the port of Riga, it is stressed that „combining this [scientific and entrepreneurial – author’s note] potential and establishing clusters for science, research, and development, innovations, as well as for the growth of technologically capacious enterprises, it is possible to attain the

⁷ National Development of Latvia for 2021-2027, Approved on 2 July 2020 by decision of the Saeima of the Republic of Latvia No. 418/Lm13, 279.point, <https://www.pkc.gov.lv/en/national-development-planning> Cross-Sectoral Coordination Center Riga 2020, P.57.

⁸ Sustainable Development Strategy of Latvia until 2030, Saeima of the Latvia of the Republic, <https://www.pkc.gov.lv/en/national-development-planning>, 279. point, P.65.

⁹ Ibid, P.70.

development of Riga as business, science, culture and tourism center of Northern Europe”.

In contrary to Riga, the development of cities of Liepaja and Ventspils, according to the *Sustainable Development Strategy of Latvia until 2030*, are directly connected with the development of the ports as one of the centres of logistics, international cooperation, and business as a whole. Concerning Liepaja City there is mentioned, that „in order to integrate into the BSR, Liepaja should develop logistics services for markets of the Nordic countries and Western Europe, using the vicinity of ports, railways, and airports, as well as the vicinity of Lithuania that provides the possibilities to attract more tourists”.¹⁰ Also for the development of the city of Ventspils, the port plays an important role. It is estimated that logistics and multimodal transport services could be one of the cornerstones for Ventspils to become the development centre of innovations, industry, and engineering sectors with high added value and logistics and transit in the BSR.¹¹

1.2. The volume of cargo in Latvian ports

Overall the transit cargo volumes in Latvia have reduced over the years. Export volumes both in shipping and railways in the GDP of Latvia have been reduced by [2.5%]. Transit export has fallen from around [20%] in [2000] to [4%] at the end of [2019]. Moreover, parts of the current volumes are also at risk. Russia is eager to develop its own ports due to economic independence factors and the second – a decrease in the main Latvia transit cargo volume and liquid petroleum products transhipped.¹² Especially this makes a large difference in the economics of *Latvian Railway* operations as coal was forming the main budget cargo volume, which paid all the infrastructure maintenance costs. In other words, Russia wants to substitute the import of services provided by other countries ensuring its own services.¹³ Experts are stressing that the volumes of cargoes coming to Latvia from neighbouring countries

¹⁰ Sustainable Development Strategy of Latvia until 2030, Saeima of the Latvia of the Republic, <https://www.pkc.gov.lv/en/national-development-planning>, 325. point, P.74.

¹¹ Ibid_325. point, P.74.

¹² „Latvijas tranzīta jomas nozīme jau gadiem sarūk; ASV sankciju ietekmi vēl nevar aplēst”, www.lsm.lv, Zalāne, L., 11.12.2019., <https://www.lsm.lv/raksts/zinas/ekonomika/latvijas-tranzita-jomas-nozime-jau-gadiem-saruk-asv-sankciju-ietekmi-vel-nevar-aplest.a341376/>

¹³ Interview with Maris Katranzi 18.02.2021.

depend on political issues rather than economics. In addition, according to climate targets, the European Union (EU) is going to reduce the consumption of coal¹⁴, which would impacts total coal transshipment volumes on the BSR as such.

However, according to the data of the Freeport of Riga for [2020], 19 from 33 cargo terminals have transhipped more cargo than in the previous year.¹⁵ Moreover, in four terminals the amount of cargo remained the same. For instance, the volume of timber in [2020] has increased. This is connected with *Brexit* and with the strategy of UK partners to export more timber before the new *Brexit* regulations come into effect on [1 January 2021] .

| | 2019 | 2016 | 2017 | 2016 | 2015 |
|-----------------------|--------|--------|--------|--------|--------|
| Cargo loaded | | | | | |
| Total | 52 892 | 57 054 | 54 156 | 56 217 | 62 551 |
| Riga | 27 084 | 31 151 | 28 995 | 32 891 | 35 952 |
| Ventspils | 17 690 | 17 620 | 17 921 | 16 860 | 20 808 |
| Liepāja | 6428 | 6603 | 5818 | 5109 | 4861 |
| Minor ports | 1690 | 1680 | 1422 | 1357 | 1110 |
| Cargo unloaded | | | | | |
| Total | 9488 | 9121 | 7721 | 6899 | 7018 |
| Riga | 5678 | 5281 | 4680 | 4179 | 4104 |
| Ventspils | 2767 | 2706 | 2114 | 1949 | 1719 |
| Liepāja | 907 | 935 | 771 | 571 | 930 |
| Minor ports | 136 | 199 | 156 | 200 | 265 |

Table 1: Cargo loaded and unloaded at Latvia's ports (thsd t).¹⁶

As evidenced by the figures above, the volumes of cargo loaded and unloaded in Latvian ports differ significantly [Table 1].

¹⁴ „Kravu apsīkums: tranzīta sektors cenšas izdzīvot”, www.lvportals.lv; Helmane, I., 06.06.2018., <https://lvportals.lv/norises/296306-kravu-apsikums-tranzita-sektors-censas-izdzivot-2018>

¹⁵ „Vairāk nekā puse Rīgas uzņēmumu gadu noslēgs ar kravu apgrozījuma pieaugumu”, www.delfi.lv, apmaksāta informācija, 18.12.2020.

¹⁶ Cargo loaded and unloaded at Latvia's ports by cargo loaded / cargo unloaded, Central Statistical Bureau of Latvia (CSB), https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_NOZ_TRK_TRKJ/TRK070/table/tableViewLayout1/

In [2015], the volume of cargo loaded reached 62 551 thousand tons, whereas cargo unloaded – 7018 thousand tons. The obvious difference between those two indicators remained in the following years as well. However, in [2019] the difference has become slightly less: for 52 892 thousand tons that is [-15.45%] less in comparison with [2015] thousand tons of cargo loaded vs. 9488 thousand tons that are [-26.04%] in comparison with [2015] of cargo unloaded.

Assessing the performance of individual ports, it is observed that the volume of cargo loaded in the Freeport of Ventspils has decreased from 20 808 t tons in [2015] to 17 690 thousand tons in [2019] that is [-14.99%] in comparison with [2015], while the volume of unloaded cargo has increased from 1719 t tons in [2015] to 2767 thousand tons in [2019] that is [+37.88%] in comparison with [2015].

The same tendency has been observed also in the Freeport of Riga. The volume of cargo loaded has decreased from 35 952 thousand tons in [2015] to 27 084 thousand tons in [2019] that is [-24.67%] in comparison with [2015]. Concerning cargoes unloaded, the volume has increased from 4104 thousand tons in [2015] to 5678 thousand tons in [2019] that is [+27.73%] in comparison with [2015].

According to the information provided by the Ministry of Transport of Latvia, during the first half of [2020], 22 628 tons of cargo were handled in the Latvian ports, which is [30.1%] less than in the corresponding period of [2019]. In terms of cargo amounts handled in the first six months of this year, the Freeport of Riga was still in the lead with 11 843 million tons handled, which is [26.7%] less than in the corresponding period of last year. This is followed by the Freeport of Ventspils, where cargo turnover in the first half of this year amounted to 6.8 million tons, which is [41.1%] less compared to [2019].¹⁷

The situation is different in the Port of Liepāja: the volume of cargo loaded in [2015] reached 4861 thousand tons, but contrary to Ventspils and Riga, in [2019] the unloaded cargo amounts have increased reaching 6428 or +24.38 in comparison with 2015 t tons, while the volume of cargo unloaded has remained almost the same.

¹⁷ Statistics of Ministry of Transport, <https://www.sam.gov.lv/lv/statistika-2>

According to the Central Statistical Bureau (CSB) of Latvia, in the nine months of [2020] compared to the nine months of [2019], freight carried by land transport and the pipeline has dropped by [19.7%], while the ports were down by [29.7%]. 71.3 million tons of freights were carried by land and pipeline transport, a decrease of 17.5 million tons. In the nine months of [2020], rail transport freights comprised 17.4 million tons, which is [44.9%] less than in the nine months of [2019]. National freights by rail comprised 1.4 million tons – [13.8%] more. In international traffic, the volume of freight carried by rail comprised 16 million tons – a reduction of [47.4%]. The decline can be explained by Russia’s efforts to shift all its exports to its own ports.¹⁸

Freights by road comprised 52.7 million tons, which is [4.3%] less than in the nine months of the previous year. National freights comprised 41.6 million tons, [0.4%] more. International freights accounted for 11.1 million tons – [18.6%] less. 1.2 million tonnes of oil products were transported via the main pipeline, which is [44%] less.

In the year [2020], almost 45 million tonnes of cargoes have been overloaded in Latvian ports. This is for [28%] less than in the year [2019]. It is also estimated by the Ministry of Transport that the volume of transit through ports has been reduced by [52%], including in Ventspils – almost 38%. The shrinkage of coals – totally in Latvian ports – has been reduced by 80% in comparison with the year [2019]. As noted before, the main reason for the decline is Russia’s policy to shift the cargoes to their own ports.¹⁹

In the Freeport of Ventspils (*Table 2*), it is observed that the volume of cargoes loaded has been reduced drastically in [2020]. The exception is general cargoes. However, things have not changed a lot regarding the cargoes unloaded.

¹⁸ Interview with Maris Katranzi, 19.02.2021.

¹⁹ „Latvijas ostās pērn pārkrauto kravu apjoms sarucis par 28%”, [www.lsm.lv](https://www.lsm.lv/raksts/zinas/ekonomika/latvijas-ostas-pern-parkrauto-kravu-apjoms-sarucis-par-28.a393148/), Zalāne, L., <https://www.lsm.lv/raksts/zinas/ekonomika/latvijas-ostas-pern-parkrauto-kravu-apjoms-sarucis-par-28.a393148/>, 16.02.2021.

| | <i>Cargoes loaded</i> | | | <i>Cargoes unloaded</i> | | |
|--------------|-----------------------|--------------|---------------|-------------------------|--------------|---------------|
| | Bulk cargo | Liquid cargo | General cargo | Bulk cargo | Liquid cargo | General cargo |
| 2016 | 5 322.9 | 9 942.7 | 1 594.6 | 84.4 | 985.3 | 879.6 |
| 2017 | 6 716.4 | 9 547.5 | 1 656.8 | 114.8 | 1 145.5 | 854.2 |
| 2018 | 6 789.2 | 9 103.1 | 1 727.5 | 385.2 | 1 387.0 | 933.9 |
| 2019 | 7 667.3 | 8 467.8 | 1 554.6 | 128.4 | 1 708.6 | 930.1 |
| 2020 | 2 038.7 | 6 272.0 | 1 578.4 | - | 2 034.8 | 938.1 |
| Total | 28 534.5 | 43 333.1 | 8 111.9 | 739.1 | 7 261.2 | 4 535.9 |

Table 2: Cargo loaded and unloaded at Freeport in Ventspils by kind of cargo (thsd t)²⁰

In the Freeport of Riga, the volumes of different types of cargo loaded during recent years have experienced different tendencies [Table 3]. While bulk cargo and general cargo both have experienced a slight rise and slight fall, liquid cargo – between [2015] and [2019] have decreased. However, in [2020] there was a sharp decline in several groups. This can be explained by more expensive costs in the Freeport of Ventspils. Thereby the clients preferred to work in other ports.²¹

| | <i>Cargo loaded</i> | | | <i>Cargo unloaded</i> | | |
|--------------|---------------------|--------------|---------------|-----------------------|--------------|---------------|
| | Bulk cargo | Liquid cargo | General cargo | Bulk cargo | Liquid cargo | General cargo |
| 2016 | 20 955.1 | 7452.7 | 4483.5 | 1438.0 | 713.3 | 2027.7 |
| 2017 | 19 414.7 | 4883.0 | 4697.4 | 1487.1 | 845.1 | 2337.4 |
| 2018 | 21 832.1 | 3191.2 | 6127.5 | 1856.2 | 930.2 | 2494.7 |
| 2019 | 18 566.5 | 2859.4 | 5658.1 | 2273.2 | 970.5 | 2434.5 |
| 2020 | 11 098.6 | 1 866.0 | 5 234.7 | 2 420.8 | 898.2 | 2 169.1 |
| Total | 91 867 | 20 252.3 | 26 201.2 | 9 475.3 | 4 357.3 | 11 463.4 |

Table 3: Cargo loaded and unloaded at Freeport of Riga by kind of cargo (thsd t)²²

²⁰ Cargo loaded and unloaded at Freeport in Ventspils by kind of cargo, CSB, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_isterm/TR260c.px/table/table_ViewLayout1/

²¹ Interview with Māris Katranži, 18.02.2021.

²² Cargo loaded and unloaded at Freeport in Riga by kind of cargo, CSB, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_isterm/TR260c.px/table/table_ViewLayout1/

Concerning the unloaded cargo, the volumes of bulk cargo, liquid cargo, and general cargo have grown from [2016] till [2019] with one exception – the volume of general cargo had decreased from [2018] to [2019].

The bulk cargo was by far the largest share of all cargo groups loaded in the port of Liepaja [Table 4]. During the last few years, the volume of bulk cargo has increased, however, there was a slow fall from [2018] to [2019] and regarding the bulk cargoes (cargoes loaded) in [2020]. Also, the volume of liquid cargo has increased, whereas the volume of general cargo has experienced both ups and downs.

| | <i>Cargo loaded</i> | | | <i>Cargo unloaded</i> | | |
|--------------|---------------------|--------------|---------------|-----------------------|--------------|---------------|
| | Bulk cargo | Liquid cargo | General cargo | Bulk cargo | Liquid cargo | General cargo |
| 2016 | 3958.9 | 360.9 | 789.1 | 313.7 | 20.2 | 236.9 |
| 2017 | 4514.9 | 450.0 | 853.0 | 343.6 | 28.4 | 398.7 |
| 2018 | 5269.0 | 422.7 | 911.1 | 462.0 | - | 463.3 |
| 2019 | 5086.4 | 570.4 | 770.9 | 483.9 | - | 421.5 |
| 2020 | 4 248.3 | 597.0 | 754.8 | 552.6 | - | 449.3 |
| <i>Total</i> | 19 081.5 | 2 401.0 | 4078.9 | 2155.8 | - | 1969.7 |

Table 4: Cargo loaded and unloaded at ports in Liepaja by kind of cargo (thsd t)²³

The cargo unloaded in the port of Liepaja the cargo unloaded, there were different tendencies [Table 4]: while the volume of bulk cargo and general cargo has risen, the year [2018] was the last one when liquid cargo was discharged in the port of Liepaja.

²³ Cargo loaded and unloaded at Port in Liepaja by kind of cargo, CSB, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_isterm/TR260c.px/table/table_ViewLayout1/

| | Cargo loaded | | | Cargo unloaded | | |
|--------------|--------------|--------------|---------------|----------------|--------------|---------------|
| | Bulk cargo | Liquid cargo | General cargo | Bulk cargo | Liquid cargo | General cargo |
| 2016 | 588.9 | - | 768.1 | 313.7 | 15.7 | 48.1 |
| 2017 | 691.4 | - | 731.1 | 343.6 | 15.5 | 70.5 |
| 2018 | 584.4 | - | 1095.8 | 462.0 | 16.0 | 109.6 |
| 2019 | 652.1 | - | 1038.0 | 483.9 | 19.2 | 51.9 |
| 2020 | 721.3 | - | 866.1 | 386.7 | 17.4 | 45.2 |
| Total | 3 238.1 | - | 4 499.1 | 1 989.9 | 83.8 | 325.3 |

Table 5: Cargo loaded and unloaded at minor ports by kind of cargo (thsd t)²⁴

And, finally, regarding the cargo loaded and unloaded at minor ports, there is a tendency that from [2016] until [2020], the volumes of all the types of cargo have increased [Table 5]. However, there is no liquid cargo unloaded at all.

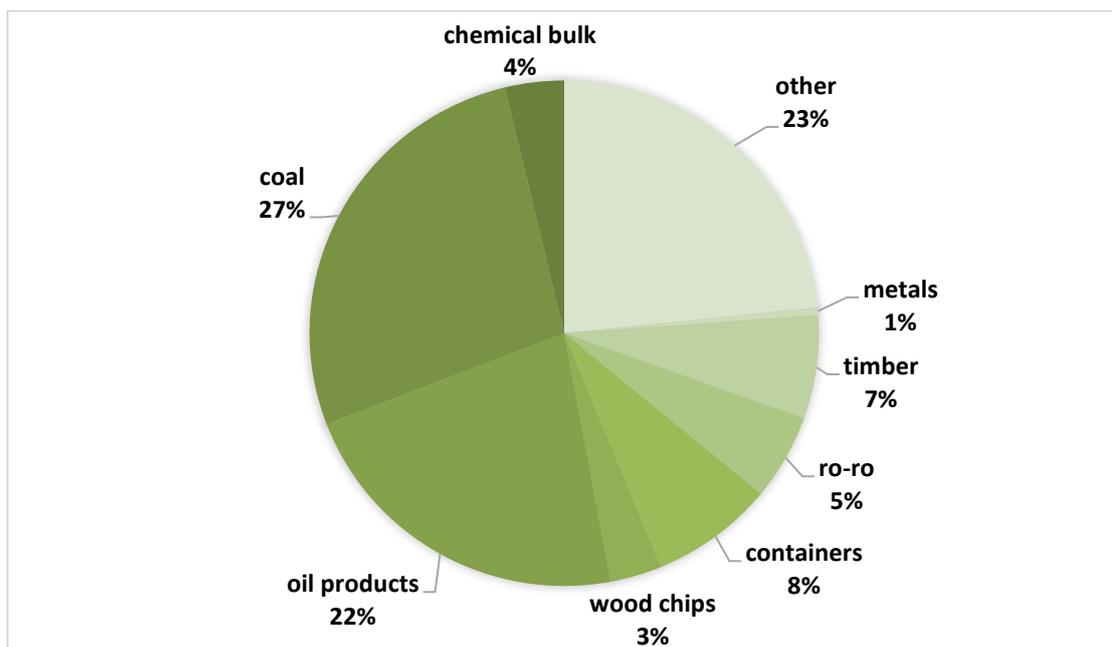


Figure 1: Cargo structure in Latvian ports, 2019.²⁵

The main products handled in Latvian ports are coal – [27.09%] - and oil products – [22.05%] (Figure 1).

²⁴ Cargo loaded and unloaded at ports in minor ports by kind of cargo, CSB, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_istern/TR260c.px/table/table_ViewLayout1/

²⁵ Cargo structure in Latvian ports, 2019, „VIA Latvia”, <https://www.vialatvia.com/lv/ostas/>

| Port | Last 9 months in 2019 | | | Last 9 months in 2020 | | | 2020/2019 |
|----------------------|-----------------------|---------|----------|-----------------------|----------|----------|-----------|
| | Export | Import | Total | Export | Received | Total | |
| Riga | 19,837.2 | 4,078.0 | 23 915.5 | 13 413.2 | 4,185.1 | 17 598.3 | -26,4 |
| Ventspils | 14,477.5 | 2,124.1 | 16 601.1 | 7,213.7 | 2,425.5 | 9,639.20 | -41,9 |
| Liepaja | 4 668.00 | 645.6 | 5 313,60 | 3 992,80 | 692,9 | 4 685,70 | -11,8 |
| Salacgriva | 205.2 | 44,8 | 250 | 159,2 | 46,6 | 205,8 | -17,7 |
| Mersrags | 310.8 | 36,4 | 347,2 | 281,1 | 15,5 | 296,6 | -14,6 |
| Roja | 32,5 | 9,9 | 42,4 | 31,7 | 8,5 | 40,2 | -5,2 |
| Pavilosta | 0 | 2,6 | 2,6 | 0 | 1,8 | 1,8 | -30,8 |
| Skulte | 751.4 | 24,7 | 776,1 | 700,4 | 28,6 | 729 | -6,1 |
| Total of minor ports | 1 299.90 | 118,4 | 1,18.30 | 1 172,40 | 101 | 1 273,40 | -10,2 |
| Total of all ports | 40 282.6 | 6 966.4 | 47 249 | 25 792.1 | 7 404.5 | 33 196.6 | -29,7 |

Table 6: Cargo turnover and comparison of Latvian ports, CSB²⁶

In the first months of [2020], the cargo turnover has decreased in all the Latvian ports [Table 6]. For instance, in the port of Ventspils, the volume of cargo has decreased by [41.9%], in the port of Pavilosta for [30.8%], and in the port of Riga for [26.4%]. Totally, cargo turnover has decreased by [29.7%]. In general, the fall in cargo turnover is based on the fall of the export.

| Type of cargo | 2020/2019 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|-----------|----------|----------|----------|----------|----------|----------|
| Dry bulk | -41,4 | 15 480,1 | 26 428,8 | 26 962,1 | 25 671,2 | 17 149,6 | 24 614,5 |
| chemicals | -17,6 | 1423,9 | 1729 | 2016,3 | 2128,1 | 1846 | 2199,7 |
| coal | -77,7 | 3030,7 | 13 605,3 | 14 883 | 14 273,2 | 8301,3 | 14 620,9 |
| grain | 3,2 | 3848,4 | 3729,2 | 3518,6 | 3396,5 | 3420,3 | 3635,7 |
| wood chips | 8,1 | 1484,3 | 1372,8 | 1127,2 | 1064,3 | 736,6 | 731,2 |
| Liquid bulk | -20,2 | 8800,3 | 11'030,2 | 11'450 | 13'438,5 | 11'217,3 | 20'075,2 |
| LNG | -39,8 | 210,3 | 349,4 | 314 | 324,2 | 317,6 | 321,9 |
| oil | -1,9 | 31,2 | 31,8 | 39,1 | 26,2 | 33,8 | 76,5 |
| oil products | -19,9 | 8310,7 | 10'378,9 | 10'814,9 | 12'838,3 | 10'740,6 | 19'361,8 |
| General cargo | -8,9 | 8916,2 | 9790 | 10'307,8 | 8602,1 | 6244,3 | 8017,9 |
| containers | -4,4 | 3479,2 | 3641,2 | 3658,6 | 3402,2 | 2297,5 | 2891,5 |

²⁶ Cargo turnover and comparison of Latvian ports, CSB.
https://www.sam.gov.lv/sites/sam/files/data_content/statistika_ostas_dzelzcels_09.2020.pd

| | 2020/2019 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|-----------|----------|---------|----------|----------|----------|----------|
| Type of cargo | | | | | | | |
| (TEU) | -2,3 | 340'069 | 348'094 | 347'233 | 327'158 | 216'876 | 268'356 |
| Ro-Ro | -9,8 | 2299 | 2549,5 | 2644,9 | 2348,6 | 1638,6 | 2011,1 |
| number | -28,6 | 113'000 | 158'362 | 167'214 | 154'874 | 106'031 | 127 457 |
| wood products | -15,5 | 2785 | 3295,2 | 3600,3 | 2474,6 | 2058,5 | 2719,6 |
| thsd. m ³ | -14 | 3323,9 | 3864 | 4089,7 | 2879,8 | 2537,2 | 3682 |
| metals | -1,3 | 222,7 | 225,6 | 275,2 | 223,1 | 176,4 | 286,5 |
| Total | -29,7 | 33'196,6 | 47'249 | 48'719,9 | 47'711,8 | 34'611,2 | 52 707,6 |

Table 7: Cargo turnover in ports of Latvia January-September, 2015-2020, (thsd.t.)²⁷

From [2015] to [2020], during the first nine months, the total amount of cargo has not changed significantly, however, in [2016] it suffered a rapid decline [Table 7].

Also, speaking on different kinds of cargo - dry bulks, liquid bulks, and general cargo – all of them separately experienced the decline not only in [2016] but in the first nine months [2020] as well.

It is important to note that there is a huge difference between the indicators of [2019] and [2020]. Totally, the difference reached [-29.7%], but in certain types of cargo: dry bulks that are [-41.4%], liquid bulks or [-20.2%], and general cargo or [-8.9%].

| | 2010./2019. | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|-------------|--------|--------|--------|--------|--------|--------|
| Type of cargo | | | | | | | |
| Dry bulk | -16,8 | 3356,7 | 4034,2 | 4160,6 | 3473,3 | 2826,1 | 2628,9 |
| chemicals | -74,3 | 247,2 | 961,8 | 1015,7 | 986,5 | 267,2 | 14,1 |
| coal | -3,4 | 1889,5 | 1955,1 | 2266,2 | 1651,9 | 1858,1 | 1871,2 |
| grain | -19,7 | 573,7 | 714,2 | 548,3 | 679,2 | 634,8 | 603,4 |
| wood chips | -19 | 163,2 | 201,6 | 130,8 | 183,2 | 172,5 | 49,2 |
| Liquid bulk | 18,5 | 473,1 | 399,3 | 323,9 | 363,3 | 293,5 | 268,7 |
| oil | -1,9 | 31,2 | 31,8 | 32,7 | 26,2 | 42,4 | 39,3 |
| oil products | 17,5 | 366 | 311,5 | 236,1 | 291,1 | 208,6 | 182,1 |
| General cargo | -2,7 | 855,9 | 880,1 | 1037 | 916,9 | 751,2 | 1064,8 |
| containers | 49,8 | 44,5 | 29,7 | 35,9 | 44,3 | 26,1 | 28,2 |
| (TEU) | 17,4 | 2694 | 2294 | 2460 | 3261 | 1422 | 2473 |
| Ro-Ro | 3,6 | 549,1 | 529,9 | 568,1 | 471,7 | 374,6 | 490,3 |
| number | -19,4 | 28887 | 35819 | 32978 | 29393 | 23238 | 26789 |

²⁷ Cargo turnover in ports of Latvia January-September, 2015-2020, thsd.t., The Central Statistical Bureau of Latvia, https://www.sam.gov.lv/sites/sam/files/data_content/statistika_ostas_dzelzcelis_09.2020.pdf

| | 2010./2019. | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|-------------|--------|--------|--------|--------|--------|--------|
| <i>Type of cargo</i> | | | | | | | |
| <i>wood products</i> | -24 | 226,7 | 298,2 | 379,3 | 343,4 | 259,7 | 400 |
| <i>thsd. m3</i> | -22,9 | 260,6 | 338 | 375,1 | 399,3 | 286,8 | 438,2 |
| <i>metals</i> | 0 | 0 | 0 | 0 | 5 | 43,7 | 123,2 |
| <i>Total</i> | -11,8 | 4685,7 | 5313,6 | 5521,5 | 4753,5 | 3870,8 | 3962,5 |

Table 8: Cargo turnover in the port of Ventspils, January-September, 2015-2020, (thsd. tons)²⁸

Consequently, the volume of cargo has decreased during the first nine months of [2016] and [2020] in all the biggest ports in Latvia, including, the Freeport of Ventspils, Riga, and Liepaja. In the Freeport of Ventspils between the period [2019-2020], the total decrease of the cargo has reached -11.8% [Table 8]. The biggest decline was noticed in the chemicals sector [-74.3%] and wood products [-24%]. However, in several fields, there was also the progress: the biggest ones – containers [49.8%] and liquid bulk [18.5%]. In general, the decrease reached [-41.9%], however for certain types of cargo one can notice significant differences: e.g. dry bulk dropped by [-78.5%], liquid bulk dropped by [-20.7%], but at the same time general cargo raised by [1.7%].²⁹

Similar tendencies can also be found in the data of ports of Riga and Liepaja. In Riga, the total decline of cargo turnover from [January-September 2019] to [January-September 2020] reached [-26.4%], but in Liepaja [-11.8%]. Regarding the certain types of cargo in Riga, the fall was applicable to all groups: dry bulks dropped by [-33%], liquid bulks decreased by [-24.5%], and general cargo by [-11.2%]. A different situation was observed in Liepaja, where dry bulk and general cargo volumes decreased by [16.8%] and [2.7%] respectively, but the volume of liquid bulks increased by [18.5%].

1.3. Conclusions

There are three major ports and seven small ports in Latvia. Three big ports – Riga, Ventspils, Liepaja – are integrated into the international traffic system and are tightly connected with international routes, international trade, and commerce.

²⁸ Cargo turnover in Freeport of Ventspils, January-September, 2015-2020, (thsd.t.), CSB, https://www.sam.gov.lv/sites/sam/files/data_content/statistika_ostas_dzelzcels_09.2020.pdf

²⁹ Cargo turnover in Latvian ports, January-September, 2015-2020, (thsd. t.), CSB, https://www.sam.gov.lv/sites/sam/files/data_content/statistika_ostas_dzelzcels_09.2020.pdf, P.5.

Latvian ports are participating in international competition with Lithuanian, Estonian, Russian, and other ports for the cargo overload. Those cargoes are coming mainly from Russia, however, some part of the cargoes are coming as well from Belarus, Kazakhstan, and other countries and markets. However, the volume of transit cargoes in the GDP has been reduced over the years. It happened because of the changes in Russian policies – more and more Russia overload their cargoes in their ports. Besides during the last years also the port of Klaipeda has increased its competitiveness. Therefore lots of Belarusian cargoes went to Lithuania.

2. Port infrastructure description

2.1. Port evaluation criteria

The study compared six ports in four countries: the Freeport in Ventspils, the Freeport in Riga and the Port in Liepaja in Latvia, the Port of Klaipeda in Lithuania, the Port of Nynäshamn/Norvik (as part of the Port of Stockholm) in Sweden and the Port of Tallinn in Estonia. All these ports characterising the cargo traffic over the Baltic Sea between the Baltic States and Sweden and at the same time between Scandinavia and Belarus, or even more Russia, CIS, and Asia. One should take into account that there is a permanent connection also between Poland and Sweden and this connection – that is already out of the frames of the Baltics and the frames of project *Baltic Loop* – will be discussed later as well.

The ports are compared by several criteria: total area (in hectares), the total length of piers, number of piers, the minimum/maximum draft in ports, volume of cargo transhipped at each port [2019], stevedoring companies operating in ports, number of terminals, connectivity of the railway with a width of 1520 mm, the connection of those railways with European railway lines and Belarus, the distance from the port to the border with Belarus, industrial parks, the connectivity with *Rail Baltica*³⁰ and plans for future development.

Apart from the statistics related to port operations, it is important to note that the Port of Klaipeda has a shorter distance from the port to the border Lithuania-Belarus. Another differentiating factor is that all the ports handle different types of cargo and participate in passenger transport to a different extent.

And, finally, one more aspect that characterises the ports, is the railway network and its connectivity with the ports and the railway in other countries. Latvia, Estonia, and Lithuania share the same width of rails – 1520 mm. There is no information about the width of the gauge track in ports on the website of the Port of Stockholm, however, according to official information, the width of the gauge track is 1435 mm, and there

³⁰ Rail Baltica, <https://www.railbaltica.org/>

is no railway in the Port of the Nynäshamn.³¹ Sweden also is not involved in the *Rail Baltica* traffic network. Nevertheless, Sweden can reach the *Rail Baltica* through Finland with whom Sweden has a land border.

2.2. The review of the Freeport of Ventspils

The volumes of loaded cargo for all cargo groups in the Freeport of Ventspils have been significantly higher than cargo unloaded. The statistics show [Table 9] that from [2016] until [2019] the volume of cargo loaded has gradually grown with a slight increase, whereas the volumes of liquid cargo have slowly and moderately shrunk, while the bulk of general cargo has remained constant.

| | January | February | March | April | May | June |
|------|---------|----------|-----------|---------|----------|----------|
| 2015 | 2584 | 2243 | 2662 | 2370 | 1925 | 1596 |
| 2016 | 1827 | 2113 | 2142 | 1469 | 1405 | 1069 |
| 2017 | 2549 | 1958 | 2592 | 2346 | 1326 | 1602 |
| 2018 | 1478 | 1613 | 1822 | 1965 | 1502 | 1619 |
| 2019 | 2071 | 2277 | 2036 | 1713 | 1925 | 1518 |
| 2020 | 1185 | 1496 | 1043 | 1048 | 1138 | 890 |
| | July | August | September | October | November | December |
| 2015 | | 1570 | 1260 | 1624 | 1794 | 1452 |
| 2016 | 1448 | 1375 | 1194 | 1428 | 1600 | 1742 |
| 2017 | 1205 | 1485 | 1158 | 1097 | 1208 | 1509 |
| 2018 | 1581 | 1694 | 1811 | 1876 | 1806 | 1560 |
| 2019 | 1838 | 1612 | 1613 | 1521 | 1347 | 986 |
| 2020 | 1026 | 950 | 864 | 1083 | | |

Table 9: Cargo turnover at the Freeport of Ventspils (thsd. t.), 2012-2020.³²

As noted before, the overall cargo turnover in Ventspils had decreased [Table 10] between [2015] and [2019]. In view of this, at the end of [2020], the volume of turnover is forecast to be even lower than before, as evidenced by the numbers showing that for several months the turnover of the port was less than 1000 tons which were not unprecedented in the previous years.

³¹ Jakubmarian.com, <https://jakubmarian.com/track-gauge-by-country-in-europe/>

³² Cargo turnover at the Freeport of Ventspils, 2012-2020. Port of Ventspils. The port in numbers <https://www.portofventspils.lv/lv/par-ostu/osta-skaitlos/>

| | Oil products | Ammonia | Mineral fertilizers | Coal | Crop | Timber | Ro-Ro | Liquid chemistry | Other |
|-------------|--------------|---------|---------------------|------|------|--------|-------|------------------|-------|
| 2014 | 15 215 | 476 | 1521 | 5862 | 263 | 475 | 1862 | 476 | 55 |
| 2015 | 13 058 | 483 | 142 | 4456 | 515 | 412 | 1789 | 129 | 19 |
| 2016 | 10 345 | 390 | 380 | 2976 | 410 | 432 | 2026 | 138 | 30 |
| 2017 | 10 089 | 372 | 206 | 4618 | 353 | 391 | 2107 | 143 | 16 |
| 2018 | 9760 | 402 | 387 | 5185 | 205 | 421 | 2213 | 143 | 49 |
| 2019 | 9512 | 383 | 476 | 5486 | 524 | 347 | 2127 | 154 | 18 |

Table 10: Cargo structure at the Freeport of Ventspils, 2014-2019, (thsd.t.)³³

The biggest cargo turnover in the Freeport of Ventspils was attributed to petroleum products, however, during the period [2015-2019] the proportion of petroleum products had diminished [Table 10]. However, a notable part of the overall volume of turnover has been formed by coals, ro-ro freights, and mineral fertilisers.

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|--------|--------|--------|--------|--------|
| Liquid cargo | 10 176 | 10 490 | 10 693 | 10 927 | 14 656 |
| Bulk cargo | 7796 | 7176 | 6831 | 5408 | 5644 |
| General cargo | 2485 | 2661 | 2511 | 2477 | 2224 |

Table 11: Types of cargo 2015-2020 (thsd.t.). The Freeport of Ventspils³⁴

| Unit of measurement | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------|--------|--------|--------|--------|--------|--------|
| Thsd t | 1984 | 2127 | 2213 | 2107 | 2026 | 1789 |
| Cargo units | 80 631 | 84 620 | 88 415 | 80 989 | 80 097 | 65 175 |
| Units per day on average | 221 | 232 | 242 | 222 | 219 | 179 |

Table 12: Ro-ro cargo turnover in the Freeport of Ventspils (thds.t)

Reviewing the types of cargo, it is observed that the volumes of liquid cargo have been reducing, in particular, during the [years 2015-2016] [Table 11]. At the same time, the volumes of bulk cargo and general cargo have gradually increased, with a slight shift in the volume of general cargo from the [2018 to 2019], when the volume decreased most likely because of the policies of shipping company *Stena Line*. The company decided to redirect the route Ventspils-Travemunde to the new one –

³³ Cargo structure at the Freeport of Ventspils, 2014-2019., Port of Ventspils, <https://www.portofventspils.lv/lv/par-ostu/osta-skaitlos/>

³⁴ Types of cargo 2015-2020 (thsd.t.) Port of Ventspils, <https://www.portofventspils.lv/lv/par-ostu/osta-skaitlos/>

Liepaja-Travemunde. This decision was taken because the distance from Travemunde to Liepaja was shorter than to Ventspils.³⁵

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|
| <i>SIA "Ventspils Nafta" terminālis</i> | 7420 | 7233 | 6930 | 7543 | 9669 |
| <i>AS "Ventbunkers"</i> | 1401 | 2024 | 2679 | 2122 | 3044 |
| <i>SIA "VK Terminal Services"</i> | 227 | 212 | 559 | 581 | 668 |
| <i>SIA "Ventall Termināls"</i> | 675 | 491 | 469 | 674 | 1273 |
| <i>AS "Kālija parks"</i> | 476 | 387 | 206 | 380 | 142 |
| <i>AS "Ventspils tirdzniecības osta"</i> | 1914 | 1868 | 1981 | 2321 | 2829 |
| <i>AS "Ventspils Grain Terminal"</i> | 542 | 244 | 341 | 396 | 527 |
| <i>AS "Baltic Coal Terminal"</i> | 3900 | 3569 | 2906 | 1479 | 1850 |
| <i>SIA "Noord Natie Ventspils Terminals"</i> | 2696 | 2920 | 2768 | 2489 | 2144 |
| <i>SIA "Ventplac"</i> | 461 | 499 | 509 | 478 | 423 |
| <i>SIA "Eurohome Latvia"</i> | 291 | 352 | 632 | 341 | - |
| <i>SIA "Overseas Estates" ("Baltic Juice Terminal")</i> | 71 | 126 | 60 | 17 | |

Table 13: Cargo turnover by terminals 2015-2020. g. (thousand tons).³⁶ Source: The Freeport of Ventspils

A significant part of cargoes in Ventspils is transhipped by the terminal managed by *Ventspils nafta terminals Ltd.* [Table 13]. However, the relevant part of cargo during the period [2015-2020] was handled by other operators, including - *AS Ventbunkers*, *AS Ventspils Tirdzniecības osta*, *SIA Noord Natie Ventspils Terminals*, *SIA Baltic Coal Terminal*, and *SIA Ventall Terminals*.

The Freeport of Ventspils works together with other ports in the BSR. These ports operate in Latvia, Lithuania, Estonia, Sweden, and other countries around the Baltic Sea. However, in the context of the research more attention must be paid to the ports of Riga, Liepaja, Klaipeda, Tallinn, and Stockholm.

Among those ports, it is noteworthy that the biggest area belongs to the ports of Ventspils and Riga. Accordingly, the aforementioned ports and the ports of Ventspils,

³⁵ Interview with Māris Katranži, 19.02.2021.

³⁶ Cargo turnover by terminals 2015-2020. g. (thsd.t.). Port of Ventspils <https://www.portofventspils.lv/lv/par-ostu/osta-skaitlos/>

Riga, and also Klaipeda operate the longest piers and the greatest number of piers. Regarding the terminals, it must be mentioned that all the ports operate passenger terminals and all the ports reload containers and other kinds of cargo. Overall the quality of the infrastructure of the Freeport of Ventspils corresponds to the European standards and both – infrastructure and experts who are working there – are at a high level³⁷.

2.3. The review of other ports around BSR

Among other things, the ports of the Baltic States are distinguished by the fact that they are dominated by shipped cargo over the received exported cargo over the imported cargo. This can be explained by the fact that most of the cargoes from Russia and other CIS countries are sent to the West via Latvia and other BSR countries. In this context Lithuania has actively worked with Belarus and the port of Klaipeda to approve an ambitious development plan for the next 25 years. Therefore the connection between the Klaipeda and Belarus demands special attention. However, the relationships between Lithuania and Belarus have been overshadowed by the conflict over the nuclear power plant of Astravets.³⁸ Nevertheless, the port of Klaipeda also plays a serious role for the Freeport of Ventspils as a competitor also in a term of the route from Klaipeda-Karlskrona.³⁹

The government of Lithuania has declared a resolution that creates the necessary conditions for Klaipeda State Seaport Authority to invest in port infrastructure, which would be used for the production, assembly, and storage of wind turbine parts and other components meant for Lithuania and close region. This policy does not directly stem from the relationship between Lithuanian and Belarus, however, it clearly shows the attempts to expand the business opportunities in Klaipeda Port. The investment will also lead to the creation of new jobs, according to the government, as approximately EUR [483 million] are planned to be invested into the expansion of the port of Klaipeda from [2021] to [2024], with EU co-financing. Most of it will be

³⁷ Interview with Oskars Osis, 19.02.2021.

³⁸ „Skaitļi un fakti: Eiropas ostās kravu apjomi aug, Latvijā – ne”, Ukenābele, I., www.lsm.lv, <https://www.lsm.lv/raksts/zinas/ekonomika/skaitli-un-fakti-eiropas-ostas-kravu-apjomi-aug-latvija-ne.a345485/> 21.01.2020.

³⁹ The interview with Oskars Osis, 19.02.2021.

invested in construction and reconstruction projects of the quays and dredging works.⁴⁰

The example of the cooperation between the port of Klaipeda and the Lithuanian government shows the way how the ports around the Baltics are searching and can find new ways of development and opportunities to work in new business fields.

Other ports that play a significant role in the BSR are the ports of Riga and Liepaja in Latvia and Tallinn in Estonia. As noted before, the ports of Riga and Liepaja together with Ventspils share a significant part of the total cargo turnover in Latvia. In turn, the port of Tallinn consists of several harbours around Tallinn and other parts of Estonia. For more detailed information about the ports in BSR see Appendix 2.

2.4. Conclusions

Here, in this research, six ports around the Baltic Sea are compared to each other. Including them is the Freeport of Ventspils, the Freeport of Riga and the port of Liepaja, the port of Klaipeda, the port of Nynäshamn/Norvik, and the port of Tallinn.

The ports are compared by using different kinds of things that characterise the ports. Including them are such criteria as total area, the total length of piers, number of piers, the minimum/maximum draft in ports, volume of cargo transhipped at each port, stevedoring companies operating in ports, number of terminals and connectivity, industrial parks. These factors characterise the port operations, diversity, characteristics, probably also perspective.

⁴⁰ „Lithuanian Government Sets Stage for Klaipeda Port Offshore Wind Upgrade”, Buljan, A., <https://www.offshorewind.biz/2020/12/03/lithuanian-government-sets-stage-for-klaipeda-port-offshore-wind-upgrade/>, 03.12.2020.

3. The significance of Belarusian transit

3.1. The cooperation in transit business between Belarus, Latvia and Sweden

According to experts from *Armstrong&Associates*, the global logistics market is estimated at [7.84 trillion euros] and accounts for about [12%] of world GDP, while the volume of the global transport market is [5.07 trillion euros], which is equivalent to [8%] of world GDP. At the same time, the share of the transport and logistics sector in the global GDP, as well as in the GDP of the EU countries, is about [20%], and in the GDP of the Euroasian Economic Union (EAEU) countries – about [12%]. Also, the transport sector provides about [8%] of global employment.⁴¹

The Republic of Belarus is located at the crossroads of several international transport corridors connecting the states of Western Europe with the East, regions of the Black Sea coast with the countries of the BSR. Over 100 million tons of European cargoes annually cross the country, of which about [90%] are between Russia and the EU. Moreover, the republic in most cases ensures an efficient and safe option of transit. Transport services are provided by rail, road, air, inland waterways, and pipelines. However, it should be noted that the transport potential of Belarus has not been fully realised: according to the National Agency for Investment and Privatisation of Belarus, transport corridors in the country are used by no more than [25-40%] of their real capacity.⁴²

The territory of the republic is crossed by two international trans-European transport corridors (according to the international classification): number II (West-East): Berlin - Poznan - Warsaw - Minsk - Moscow - Nizhny Novgorod; - number IX (North-South): (Helsinki - St. Petersburg - Pskov - Gomel - Kyiv - Odesa) with a branch IX B (Klaipeda / Kaliningrad - Vilnius - Minsk - Gomel). The market of transport and logistics services is important for the economy of Belarus: in [2019], [41.7%] of exports of services were formed by transport and logistics services, the share of which in the export of services decreased by 2.7 percentage points relative to the level of [2018]. Transport and logistics services showed an increase of [9.4%] compared to

⁴¹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P.4

⁴² Ibid, P. 4.-5.

[2018] and amounted to [5.1 billion Belarusian rubles] or [EUR 1.61 billion]. Of all transport and logistics services rendered in [2019], more than [90%] in value terms are accounted for by road and rail transport: road – [49.8%], rail – [44.2%], inland waterway transport accounted for only [4.3%].⁴³

The Baltic ports are important transport communications and are essential in the spatial and economic system of the region. The Baltic States create competitive advantages for their ports – they create port zones with preferential terms for attracting investments, they are looking for new forms of cooperation with the countries of Europe, Central Asia, and the Asia-Pacific region, they pursue a flexible transport and tariff policy, develop logistics chains along the entire transit corridor and build modern logistics centres. The transport infrastructure of the Baltic countries is well-developed thanks to a wide network of railways directly connected to the CIS railway system and through the Trans-Siberian Railway to the Far East. The Baltic ports in Klaipeda, Ventspils, Riga, Liepaja play an important role in transit trade. They are convenient gates for the import and export of Belarus, Russia, other CIS countries and are connecting elements of the countries in Europe and Asia. In ports, as a rule, special economic zones are formed in order to create favourable conditions for attracting business. The advantage of the Baltic ports is their enormous potential, which lies in the large, undeveloped resources of the ports and their territories.⁴⁴

The total flow of Belarusian goods through the ports of the Baltic countries in [2019] amounted to about USD 10 billion (EUR 8.17 billion). In total Belarus exports about 30 million tons of cargoes through the ports of the Baltic States, mainly fertilisers – up to 10 million tons, and petroleum products – up to 8 million tons. The products of mechanical engineering, agriculture, food industry are also supplied, but in much smaller volumes.⁴⁵

⁴³ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 5.

⁴⁴ Ibid, P. 23.

⁴⁵ Ibid, P. 27.

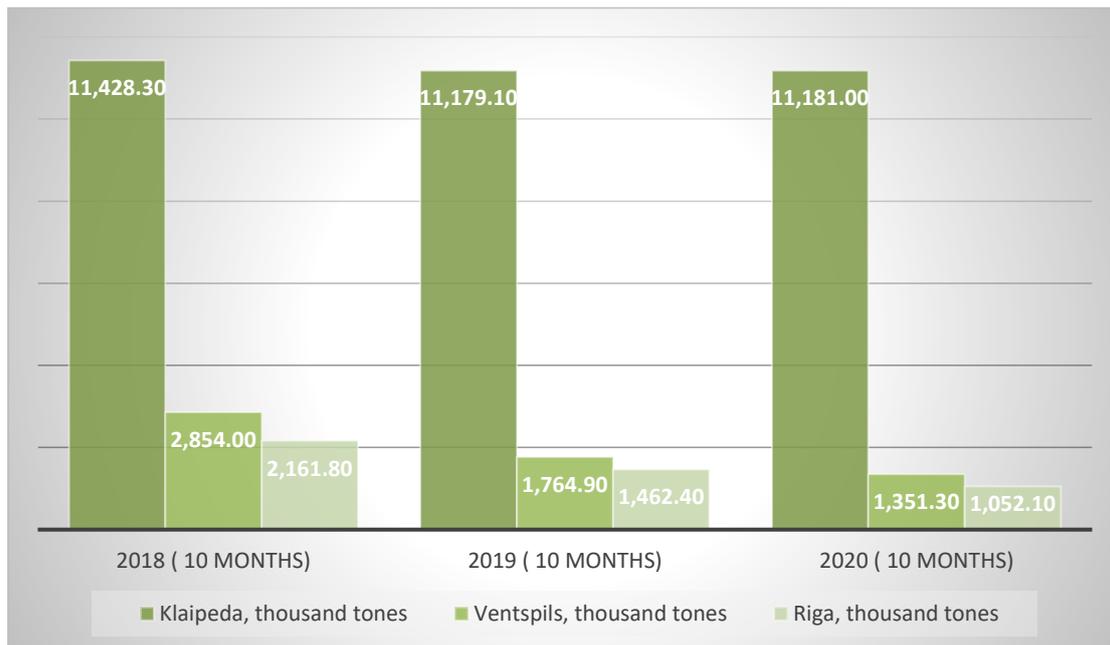


Figure 2: Export railway transportation of goods from Belarus to the ports of Lithuania (Klaipeda) and Latvia (Ventspils, Riga). Source: National Statistical Committee of the Republic of Belarus

The largest cargo volumes from Belarus go to the Lithuanian port of Klaipeda [Figure 2]. [For 10 months in 2020], 11 181 006 tons of cargoes were delivered to this port, which is [2.2%] less than the shipments in the same period of 2018, but more than was delivered in [10 months of 2019], by [0.02%].⁴⁶

Significantly smaller volumes of shipments are carried through Latvian ports; moreover, during the researched period they were permanently reduced. So, [in the 10 months of 2020], 1 351 313 tons of cargoes were transported through the Ventspils port. Compared to the level of shipments during the 10 months of [2018], the stipulated reduction amounted to [52.7%], while the reduction with respect to the same period in [2019] added up to less – [23.4%]. In [January-October 2020] the volume of cargo transportation from Belarus through the Freeport of Riga amounted to 1 052 079 tons, having decreased by two times compared to the level of [January-October 2018].⁴⁷

Potash fertilisers are the largest export item of cargo supplied from Belarus to the Lithuanian port. In [2008] the port in Klaipeda and *JSC Belaruskali* entered into an

⁴⁶ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 31.

⁴⁷ Ibid, P. 32.

agreement under which Lithuanian port companies began to apply competitive tariffs for the transshipment of Belarusian mineral fertilisers through their terminals. At the same time, stevedores and Belarusian cargo owners also began to conclude long-term contracts for the transshipment of this cargo group in the port, which became an additional advantage of the Lithuanian transit corridor. In April [2013], *Belaruskali* completed the purchase of a 30% stake in the BKT (*JSC Biriu Kroviniu Terminalas* or *Bulk Cargo Terminal*, owns a bulk cargo terminal in the port of Klaipeda). The successful implementation of the joint logistics project Soligorsk-Klaipeda helped *ОАО Белорусская калийная компания* (*Belarusian Potash Company*, BKK) to increase its export efficiency by optimising logistics thus becoming one of the world's leaders in potash fertiliser sales in [2014], including making a major breakthrough in increasing container traffic in the corridor.⁴⁸

In addition, in [2015], BKK became the main shareholder of the Lithuanian company *Fertimara* (established in [2004]), which is engaged in agency services in the port of Klaipeda and chartering of ships, as well as providing transport and forwarding services. The deal is also in line with BKK's strategy of delivering products efficiently "to the customer's doorstep" using predominantly CFR (cost and freight) / CIF (cost, insurance, and freight) delivery bases in its sales. BKK is now developing *Fertimara* as its preferred shipbroker, which allows it to gain additional benefits and revenues in the field of freight. Thus, today, when supplying Belarusian potassium chloride through the port of Klaipeda, all links of the logistics chain work in one bundle: manufacturer, seller, stevedore, shipping agent, broker, as well as the Belarusian and *Lithuanian railways* [LG].⁴⁹

⁴⁸ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 33.

⁴⁹ Ibid, P.33.

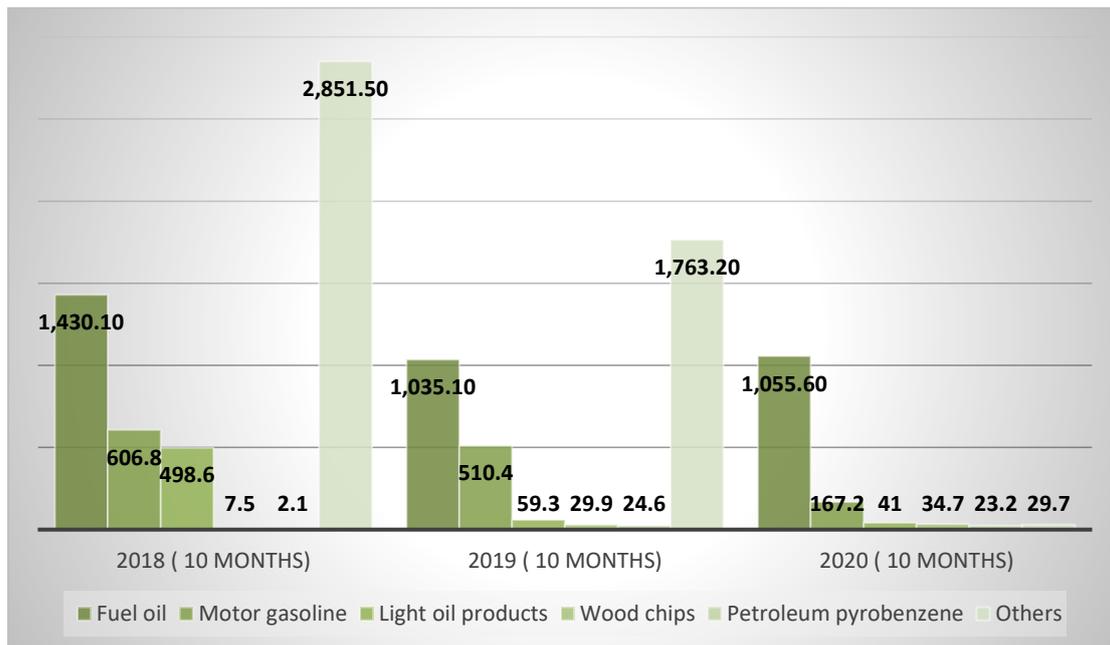


Figure 3: Dynamics of export of goods from Belarus to the Freeport of Ventspils by type (tonnes) Source: National Statistical Committee of the Republic of Belarus, 2020 (10 months)

1 055 576 tons of heating oil were exported through the Freeport of Ventspils in the [10 months of 2020] [Figure 3], which is 2.0% more than the level of shipments in the same period in [2019], but less by 26.2% than the volume transhipped in [January-October 2018]. The second-largest export category of cargo is motor gasoline, the shipment volume of which decreased significantly in [January-October 2020] – to 167 169 tons (3.6 less than the volume in the corresponding [10 months of 2018]). In [2018], light oil products were also supplied in significant volumes to Ventspils, however, in [January-October 2020] their export volumes decreased 12.2 times totalling at 40 991 tons. The only item for which there was an increase in shipment volumes in the research period were wood chips – in the [10 months of 2020], 34 674 tons were exported, which is 4.6 times higher than the volume in the corresponding period of [2018]. In addition to the items discussed above, in [January-October 2020] the Freeport of Ventspils received the following cargoes: petroleum pyrobenzene in the amount of 23 198 tons (-5.8% versus the level in the corresponding period of the previous year), gasoline for industrial purposes in the amount of 18 446 tons (2.9 times lower compared to the same period of the previous year), gasoline in the amount of 6863 tons (2.8 times lower than in the same period of the previous year), acrylic acid nitrile with a volume of 4138 tons (2.5 times lower than in the same

period of the previous year) and other groups of products in the volume of 258 tons (34.4 times lower than the levels in the corresponding period of the previous year).⁵⁰

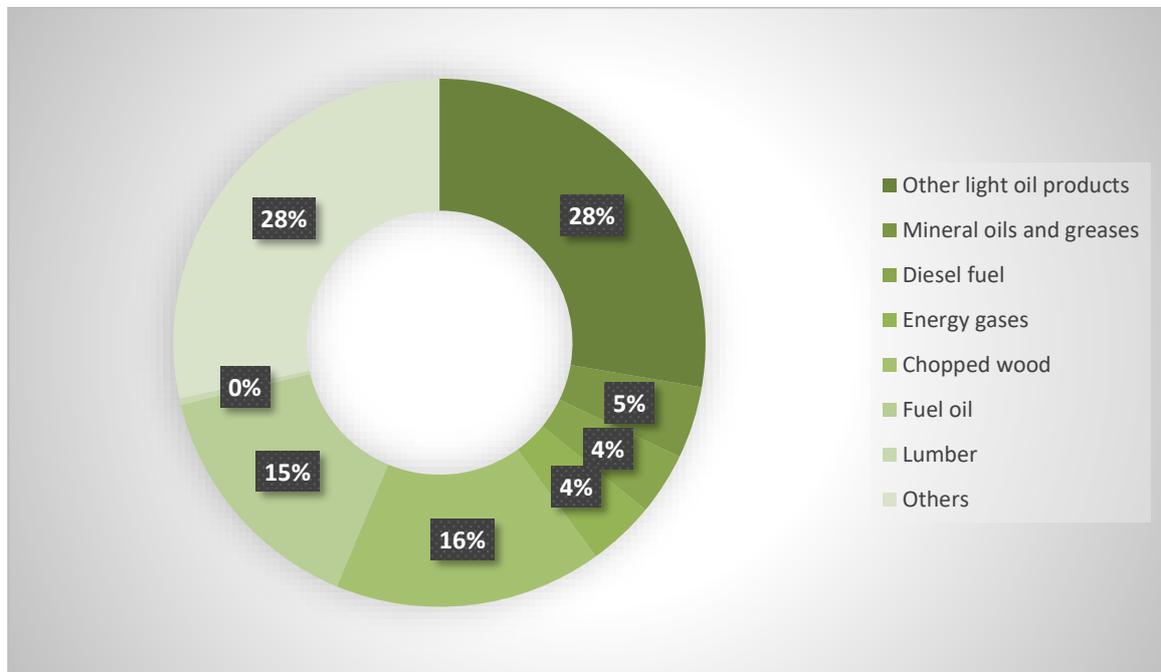


Figure 4: Structure of cargo export from Belarus to the Freeport of Riga by type in 2018 (10 months)

⁵⁰ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 34.-35.

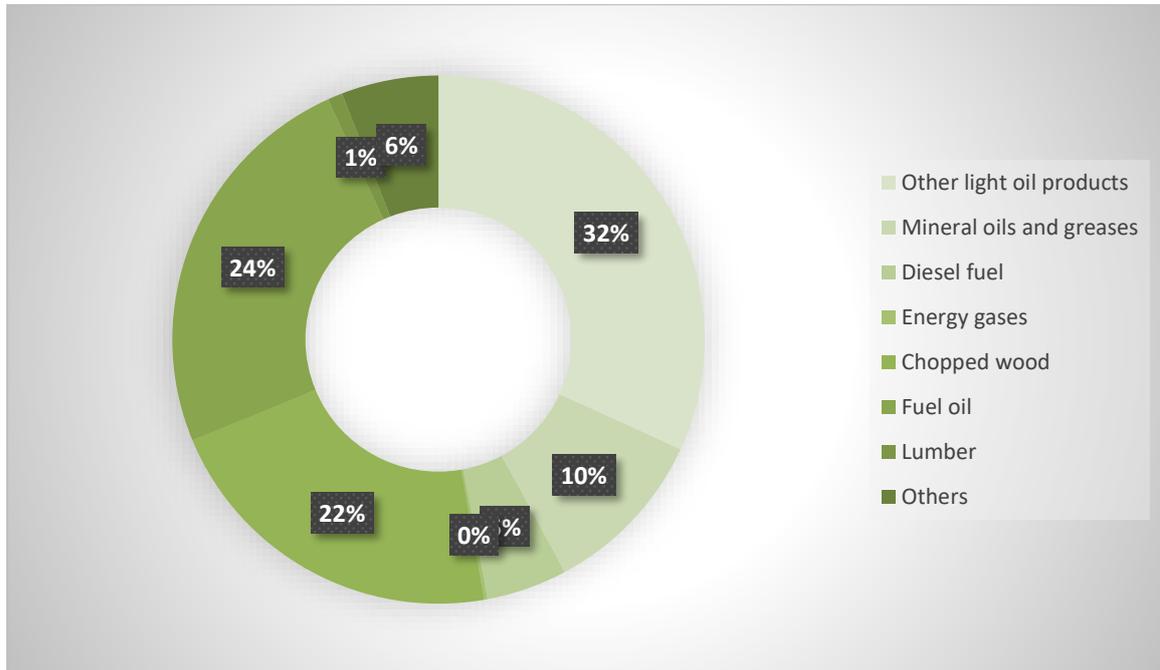


Figure 5: Structure of cargo export from Belarus to the Freeport of Riga by type in 2019 (10 months)

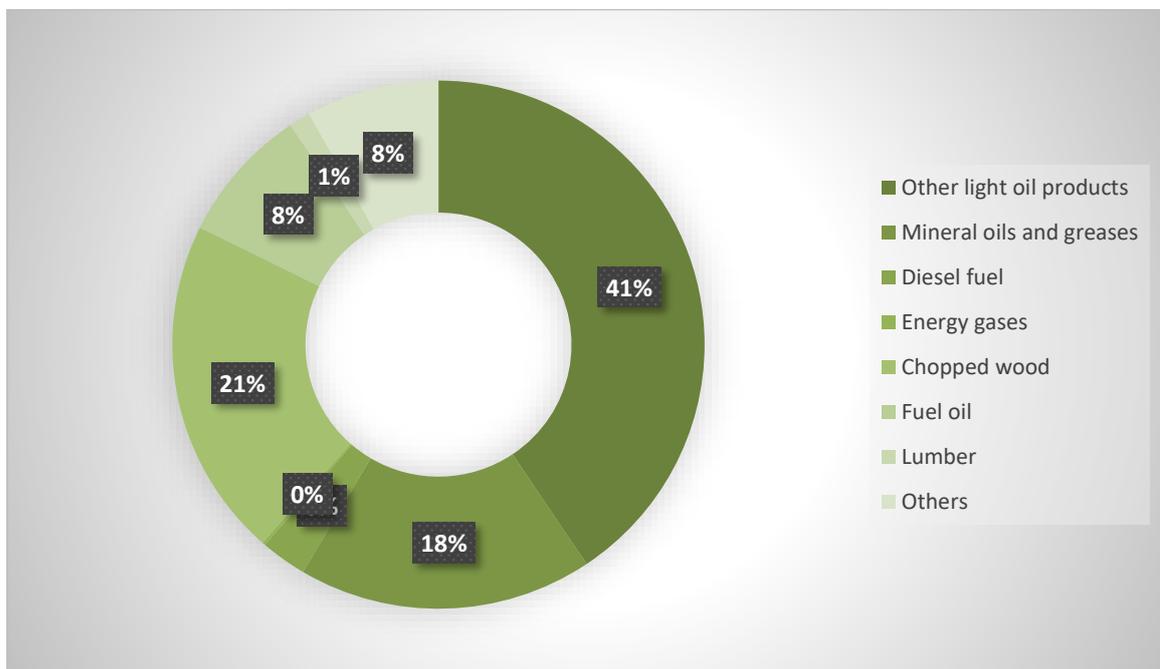


Figure 6: Structure of cargo export from Belarus to the Freeport of Riga by type in 2020 (10 months) Source for the figures 4,5 and 6: Belarusian Railways (Belarusskaja Zeleznaja doroga)⁵¹

⁵¹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 32.

The largest export items delivered from Belarus to the Latvian Freeport of Riga are other light oil products [Figures 4, 5, and 6], the received volume of which in [January-October 2020] amounted to 427 242 tons, or [40.6%] of the total export volume. Despite the increase in the share of light petrol against the total volumes in [2020], in physical terms during the 10 months of [2020], Riga received [8.3%] less product than in [January-October 2019] – 427 242 tons. The second-largest export item is shredded wood - [20.8%] of the total export volume (0.7 percentage points compared to the same period of last year) in [January-October 2020]. During the [10 months of 2020], 219 001 tons of chopped wood was delivered from Belarus to the Freeport of Riga, which is [37.8%] less than the amount received in the same period in [2018]. Cargo items the volumes of which grew significantly in the research period are mineral oils and lubricants, with an export volume through the Freeport of Riga in [January-October 2020] of 187 834 tons, and an increase by almost two times compared to the corresponding period of [2018]. The share of this position in the total volume of cargoes also grew soundly and amounted to [17.9%] in [January-October 2020], having increased by 13.5 percentage points compared to the same period in 2017. Another product supplied to the Freeport of Riga in a significant amount from Belarus within 10 months was fuel oil. In [2020] the volume of exports of this product added up to 87 323 tons, which was still 3.7 times lower compared to the volume in the same period of [2017].⁵²

In addition to the above items, the following cargo groups were exported from Belarus through the Freeport of Riga in [January-October 2020]: diesel fuel in the amount of 29 447 tons (2.4 times less than in the same period of [2019]), sawn timber with a volume of 13 484 tons (2.4% less than in the same period of [2019]), energy gases in the amount of 2522 tons (22.9% less than in the same period of [2019]) and other products in the amount of 85 226 tons (16.8% more than in the same period of 2019). According to the owner of the Freeport of Riga, the decline in supplies from Belarus for key items (oil products, in particular, fuel oil) is retrospective.⁵³

⁵² „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 36.

⁵³ Ibid, P. 36.

Among other things, transit cargo transportation remains key for the transport complex of the Republic of Belarus. The main transit cargoes are coal, petroleum products, chemical and mineral fertilisers, ferrous metals, chemicals, etc. The largest volumes of transit traffic are carried out in communication with Russia, Latvia, Lithuania, Poland, and Ukraine. Information on the movement of goods across the customs border of the Republic of Belarus that arrived from or is sent to the Baltic port cities can be found in the tables below.⁵⁴

| <i>Port</i> | Weight tones | Value (in euros) |
|------------------|---------------------|-------------------------|
| <i>Klaipeda</i> | 794 544,74 | 904 577,00 |
| <i>Riga</i> | 363 823,22 | 700 918,54 |
| <i>Ventspils</i> | 8 783,4 | 8 135,68 |
| Total | 1 167 151,4 | 1 613 631,20 |

Table 14: Information for 2019 on the movement of goods arriving from the Baltic port cities across the customs border of the Euroasian Economic Union in the Republic of Belarus. Source: State Customs Committee of the Republic of Belarus⁵⁵

| <i>Port</i> | Weight tones | Value (in euros) |
|------------------|---------------------|-------------------------|
| <i>Klaipeda</i> | 1 727 148,1 | 842 746,15 |
| <i>Riga</i> | 319 442,1 | 439 677,28 |
| <i>Ventspils</i> | 8 678,7 | 6 271,40 |
| Total | 2 055 269,0 | 1 288 694,83 |

Table 15: Information for 2019 on the movement of goods arriving from the Baltic port cities across the customs border of the EAEU (thsd. t). Source: State Customs Committee of the Republic of Belarus⁵⁶

Based on these tables [Table 14 and Table 15], it can be concluded that the largest volume of transit cargo to the Republic of Belarus was supplied from the port of Klaipeda. The Freeport of Riga is the second most important transit partner of the Republic of Belarus. Freight flows from the Freeport of Ventspils make up only a small share in the total volume of cargo deliveries.⁵⁷

| <i>Port</i> | Weight tones | Value (in euros) |
|------------------|---------------------|-------------------------|
| <i>Klaipeda</i> | 492 582,0 | 75 102,46 |
| <i>Riga</i> | 224 678,0 | 124 809,28 |
| <i>Ventspils</i> | 292 572,0 | 49 458,93 |
| Total | 1 009 832,0 | 249 370,67 |

Table 16: Information for January-November 2020 on the movement of goods across the customs border of the EAEU in Belarus sent to the Baltic port cities (thsd. t., State Customs Committee of the Republic of Belarus)⁵⁸

⁵⁴ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 36.-37.

⁵⁵ Ibid, P. 34.

⁵⁶ Ibid, P. 34.

⁵⁷ Ibid, P. 37.

⁵⁸ Ibid, P. 34.

Statistical data show [Table 16] that the largest volume of cargoes in natural units sent to the Baltic port cities through the Republic of Belarus in [January-November 2020] fell on the port of Klaipeda – 492 582 thousand tons. In terms of monetary value, however, the structure of cargo flows looks somewhat different – the leading position is occupied by the Freeport of Riga.⁵⁹

| Year | Total | Inland traffic | International traffic | Including | | | From international cargo | | |
|------|---------|----------------|-----------------------|-----------|---------|---------|--------------------------|------------|------------------------|
| | | | | Export | Import | Transit | To ports | From ports | Total of to/from ports |
| 2015 | 55645,2 | 1671,5 | 53973,7 | 2848,9 | 48276,7 | 2848,1 | 44104,6 | 1333,9 | 45438,5 |
| 2016 | 47818,7 | 1482,4 | 46336,3 | 2383,5 | 42036,3 | 1916,5 | 38084,6 | 1395,3 | 39479,9 |
| 2017 | 43785 | 1649,4 | 42135,6 | 1838,6 | 36583,8 | 3713,2 | 33549,2 | 1488,3 | 35037,5 |
| 2018 | 49260,4 | 1364,7 | 47895,7 | 2381 | 40469,7 | 5045 | 37348 | 2065 | 39413 |
| 2019 | 41489,5 | 1708,3 | 39781,2 | 2286,8 | 32948,8 | 4545,6 | 29624,2 | 2006,3 | 31630,5 |

Table 17: Freight transport by rail (thsd. tons) CSB

During the last few years, the freight transport by rail in Latvia has decreased [Table 17]. However, the volume of inland traffic is showing rising numbers, while the largest part – international traffic – is also showing downward trends.

The numbers show that the volume of imports is significantly higher than that of export. Also, the share of incoming cargo to ports is much bigger than outgoing ones from the ports. However, the difference between the volumes of incoming (export to Northern and Western countries) and outgoing (export to Eastern European countries) cargoes in [2015] and in [2019] has significantly reduced.

⁵⁹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 38.

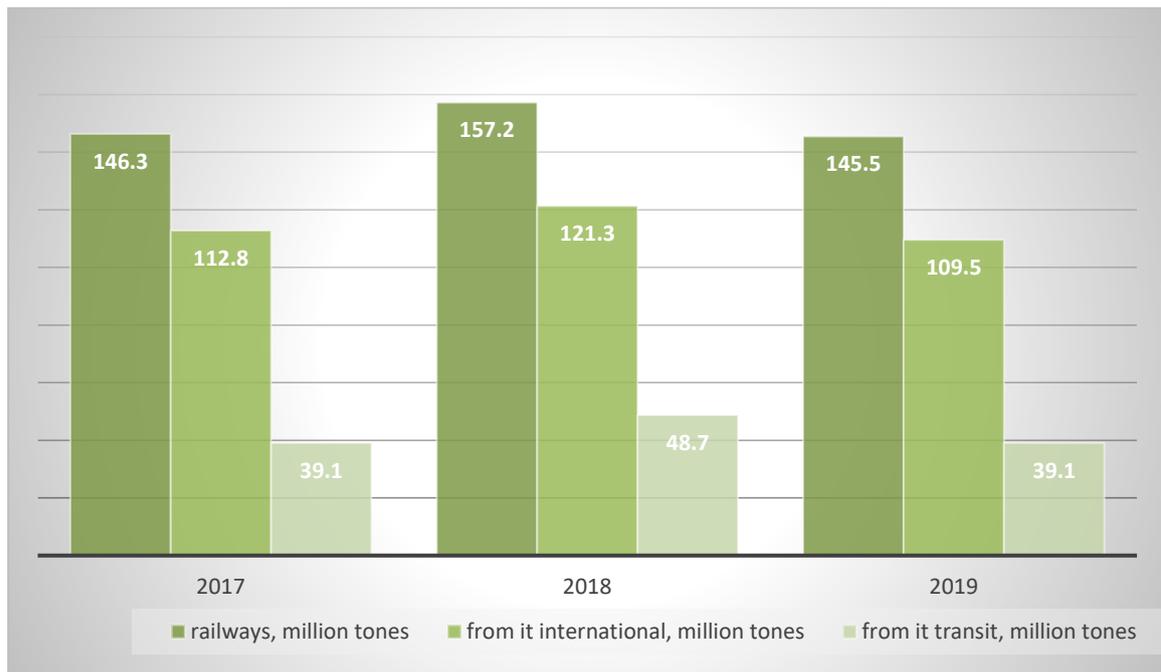


Figure 7: Dynamics of freight turnover of railway transport in international traffic in the Republic of Belarus in 2017 - 2019.(mln. tonnes) Source: National Statistical Committee of the Republic of Belarus

In [2019] there was a decrease in the freight turnover of railway transport in the international traffic by [10.9%] or by 4535 million tkm⁶⁰ compared to the level of [2018] [Figure 7]. In 9 months of [2020], the cargo turnover in international traffic amounted to 23 027 million tkm.⁶¹

⁶⁰ tkm – tonne-kilometre

⁶¹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 7.



Figure 8: Dynamics of the volume of transportation of goods by road in the Republic of Belarus in 2017 (Jan-Dec) - 2019 (Jan-Sept.)(mln. Tonnes). Source: National Statistical Committee of the Republic of Belarus

As for road transport, there was also a general decrease in the volume of transported goods in [2019] [Figure 8], while the volume of transport in international traffic, including transit, increased by [10%] compared to the level of [2018].⁶²

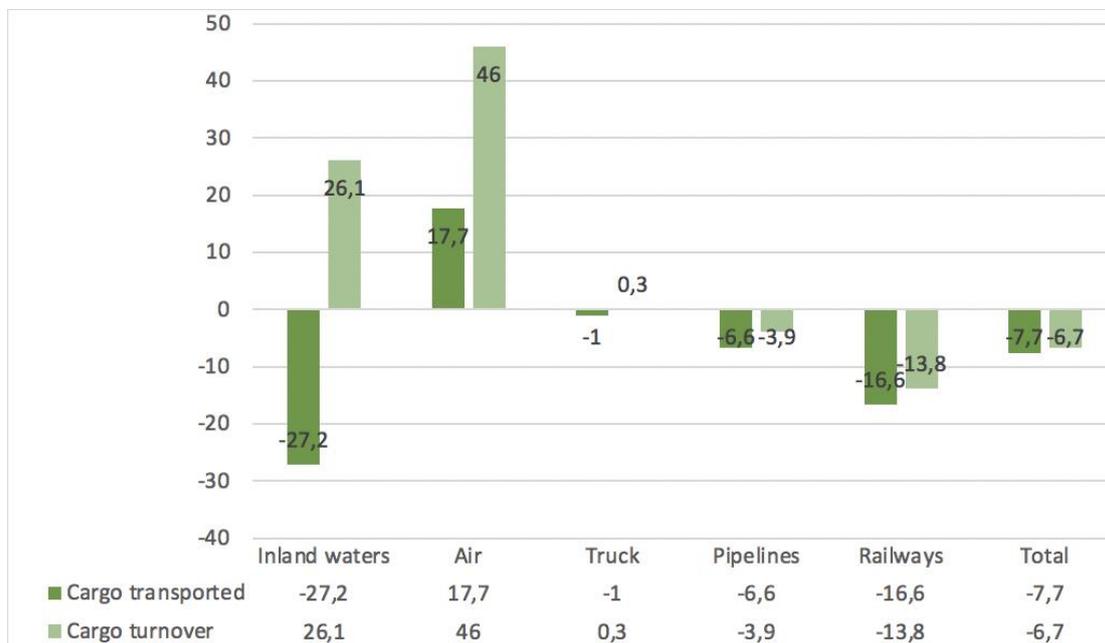


Figure 9: Change in freight turnover and volume of transported goods in Belarus in January-September 2020 compared to the same period in 2019%. Source: National Statistical Committee of the Republic of Belarus⁶³

⁶² „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 7.

⁶³ Ibid, P. 9.

Like any other market, the market of transport and logistics services of the Republic of Belarus in [2020] was affected by the global crisis caused by the coronavirus pandemic [Figure 9]. The volume of cargo turnover and transported goods decreased by [7.3%] and [8.4%], respectively, from [January to September 2020] compared to the same period in [2019]. Indicators of freight turnover and volumes of transported goods for [January-September 2020] showed a decline in almost all types of transport, and the greatest decline was attributed to rail and pipeline transport.⁶⁴

The Baltic countries account for a significant share of Belarus' foreign trade turnover, which creates an active demand for the delivery of goods in this direction. So, in 10 months of [2020], 5.32 million tons of products with a total value of USD 1.14 billion (EUR 0.93 billion) were delivered from Belarus to the Baltic States, i.e. Lithuania, Latvia, and Estonia, while imports for the same period from the Baltics to the Republic of Belarus amounted to 1.75 million tons with a total value of 418 280 thousand US dollars (EUR 342 670).⁶⁵

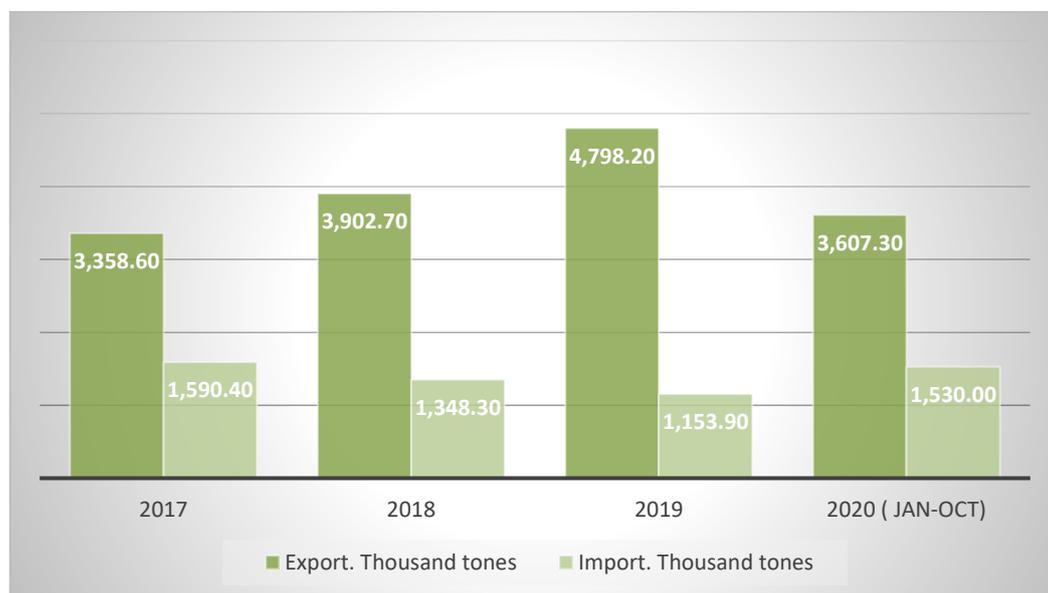


Figure 10: Foreign trade in goods between the Republic of Belarus and Lithuania in 2017 (Jan-Dec) – 2020 (Jan-Oct). Source: National Statistical Committee of the Republic of Belarus⁶⁶

⁶⁴ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 8.

⁶⁵ Ibid, P. 9.

⁶⁶ Ibid, P. 10.

In [2017-2019] there was a permanent increase in the export of Belarusian goods to Lithuania with a simultaneous reduction in imports from the Republic of Lithuania to Belarus [Figure 10]. Thus in [2019], the export of goods from Belarus to Lithuania amounted to 4 798 300 tons, an increase by [42.9%] compared to the corresponding period of [2017]. At the same time, imports from Lithuania to Belarus in [2019] were at the level of 1 153 900 tons, having decreased compared to [2017] by [27.4%]. It should be noted that the presented data centralises solely on the trade between Belarus and Lithuania as the destination points for the delivery of goods, excluding transit shipments.⁶⁷

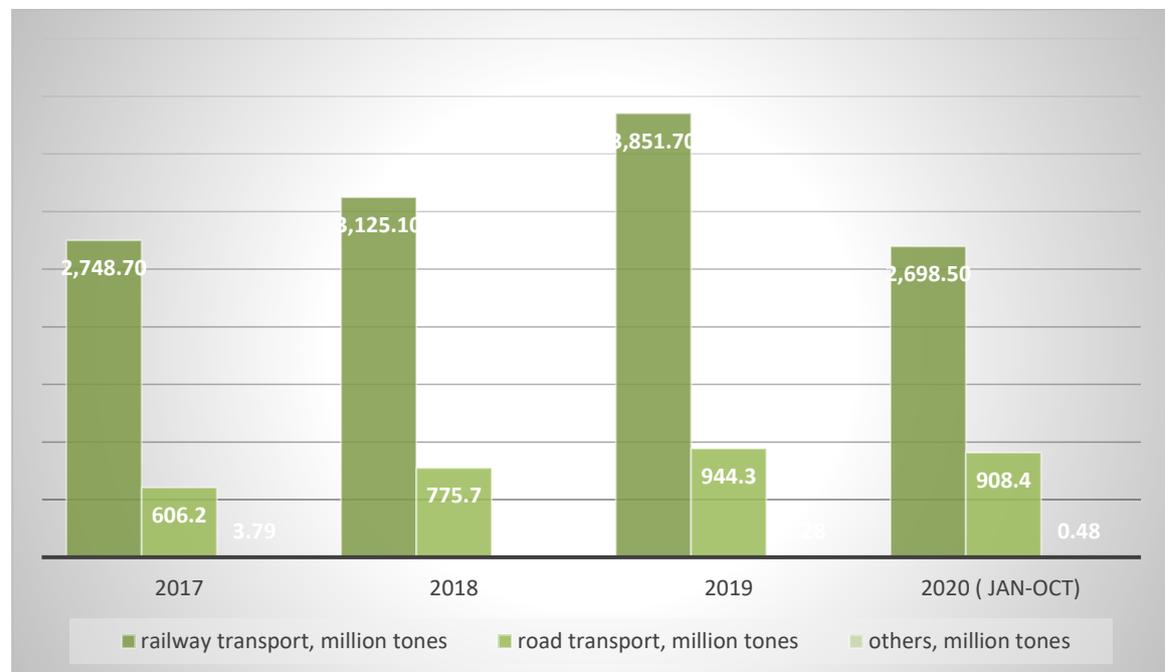


Figure 11: Export of goods from the Republic of Belarus to Lithuania in 2017 (Jan - Dec) – 2020 (Jan - Dec) by mode of transport. Source: National Statistical Committee of the Republic of Belarus⁶⁸

The key mode of transport used for the export of Belarusian goods to the territory of the Republic of Lithuania is railway – in [2019] it accounted for 3851.7 thousand tons of goods ([80.3%] of the total volume of transported goods), which is more than [40.1%] compared to in [2017] [Figure 11]. The second most common mode is road transport, the share of which amounted to [19.7%] of the total supply in [2019]. This

⁶⁷ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 9.-10.

⁶⁸ Ibid, P. 11.

type of transport in [2019] delivered 944 300 tons of cargo ([55.8%] higher compared to [2017]). During the 10 months of [2020], 3607.3 thousand tons of goods were exported, of which [74.8%] were shipped by rail and [25.2%] – by road. Other types of transport accounted for an insignificant volume of freights.⁶⁹

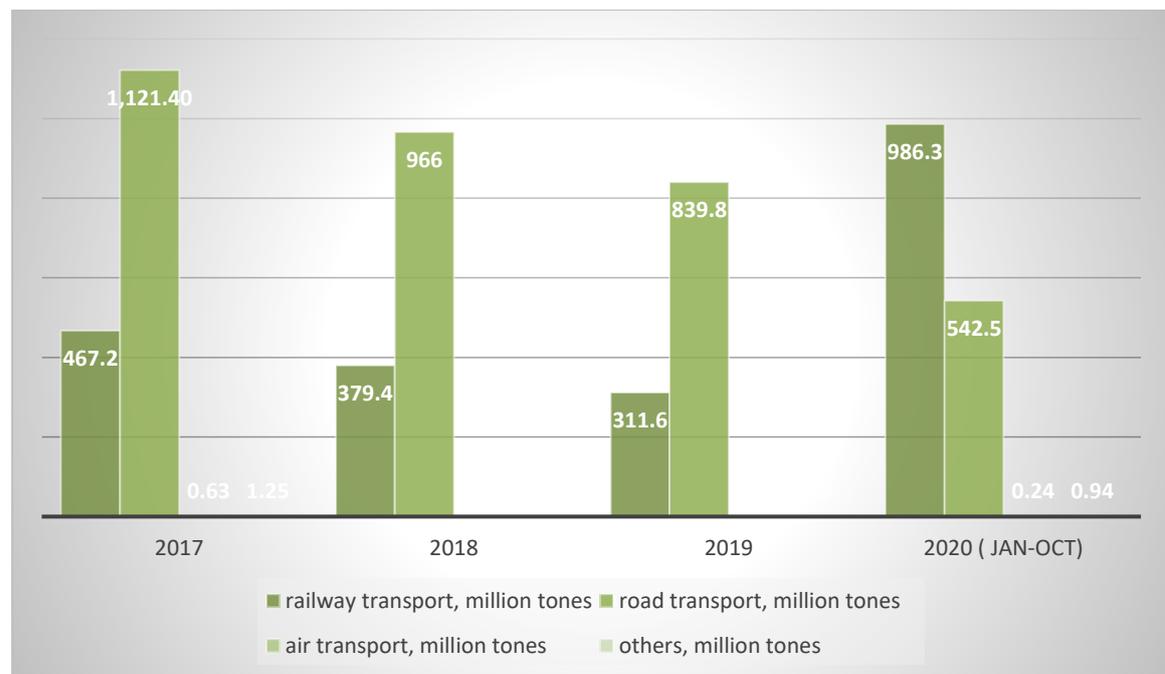


Figure 12: Import of goods to the Republic of Belarus from Lithuania in 2017 (Jan - Dec) – 2020 (Jan - Oct) by mode of transport. Source: National Statistical Committee of the Republic of Belarus⁷⁰

During the research period, imports to Belarus from Lithuania were carried out mostly by road transport [Figure 12], i.e. in [2019], 839.8 thousand tons of cargo ([72.8%] of the total supply amount) were delivered to Belarus by road, which is [25.1%] less than in [2017]. Railway transport accounted for [27.0%] of the total import volume, while the volume of shipment amounted to 311.6 thousand tons, having decreased by [33.3%] compared to the volumes of [2017]. In [2019], 1.9 thousand tons of products were imported by air ([29.1%] lower compared to the level of [2017]). It should be noted that for the first [10 months of 2020] the supply of goods from Lithuania to Belarus by rail increased significantly – up to 986.3 thousand tons, exceeding the level of [2019] by three times. Deliveries by road in [January-October 2020]

⁶⁹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 10.

⁷⁰ Ibid, P. 11.

accounted for 542.5 thousand tons. In general, the foreign trade balance in [January-October 2020] was positive – the export of goods from Belarus to Lithuania exceeded imports by 2.4 times.⁷¹

Latvia is an important trade partner and investor of Belarus, as well as a major transit corridor for Belarusian exports to Third Countries. At the end of [2019] Latvia ranked 15th in terms of trade and 11th in terms of exports among countries with which Belarus carries out foreign trade operations. In [2019], the trade turnover with Latvia amounted to USD 487.4 million (EUR 402.7), exports – USD 397.3 million (EUR 327.83) (decreased by [18.1%] compared to 2018), and imports – USD 90.1 million (EUR 74.34) (decreased by 7.2%).⁷²

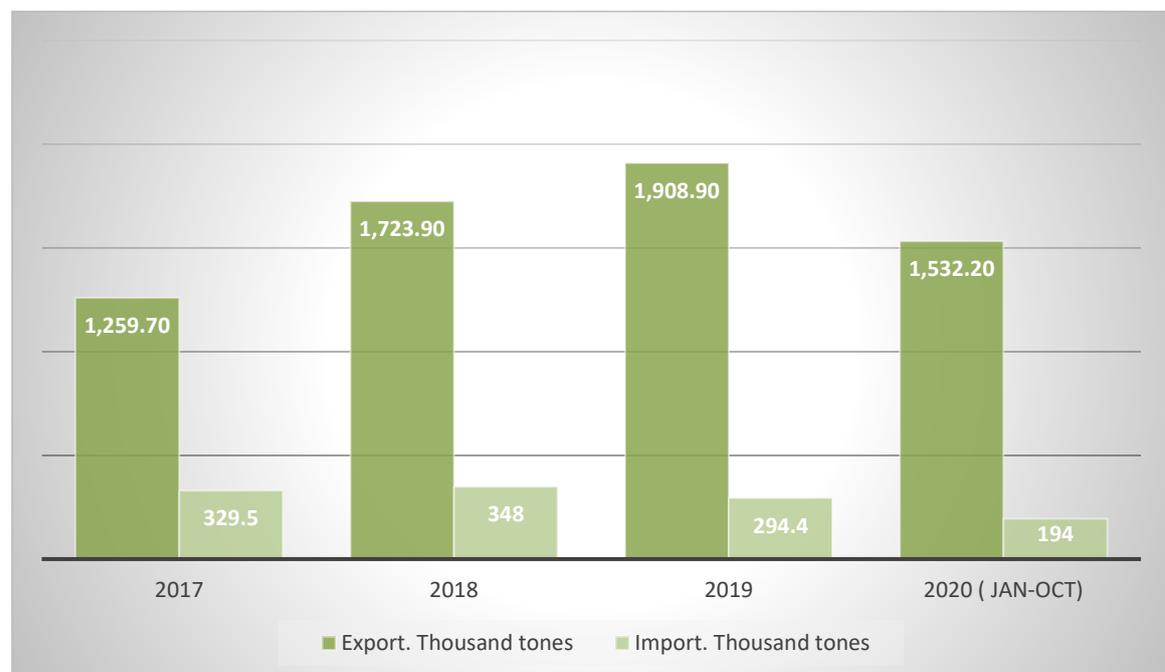


Figure 13: Foreign trade in goods between the Republic of Belarus and Latvia in 2017 - January-October 2020. Source: National Statistical Committee of the Republic of Belarus⁷³

In [2017] the export of goods from Belarus to Latvia (in natural units) was constantly increasing [Figure 13]. So, in [2019], the volume of delivered goods amounted to

⁷¹ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 11.

⁷² Ibid, P. 11.-12.

⁷³ Ibid, P. 12.

1908.9 thousand tons – an increase by [51.5%] compared to the level of [2017]. Imports of products from the Republic of Latvia to Belarus in [2019] averaged at 294.4 thousand tons, having decreased by [10.7%] compared to the [2017] indicators. During [10 months of 2020] the volume of exports of goods from Belarus amounted to 1532.2 thousand tons, and the volume of imports to Belarus – 194.0 thousand tons, which was overall a positive balance of foreign trade. It should be noted that the presented data centralises solely on the trade between Belarus and Latvia as the destination points for the delivery of goods, excluding transit shipments.⁷⁴

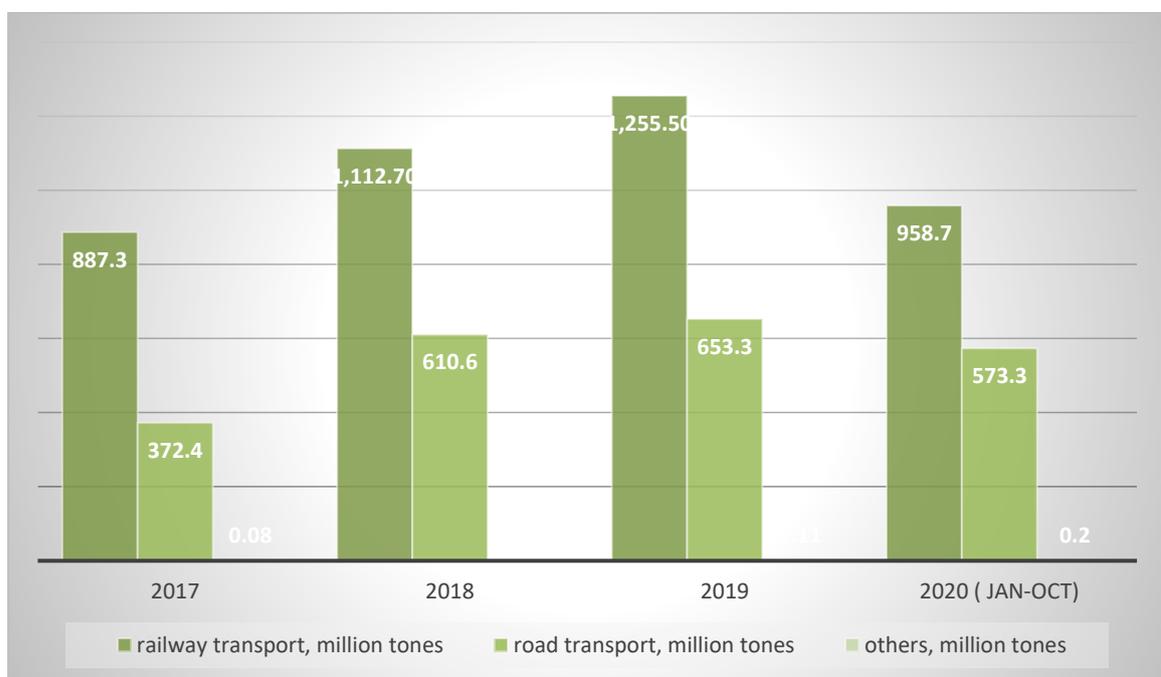


Figure 14: Export of goods from the Republic of Belarus to Latvia in 2017 (Jan - Dec) – 2020 (Jan - Oct) by mode of transport. Source: National Statistical Committee of the Republic of Belarus⁷⁵

The export profile of goods delivered from Belarus to Latvia is dominated by rail carriage with a share of [65.8%] in [2019] [Figure 14]. This is determined by the specifics of the exported goods, i.e., the main export items to Latvia are oil products, timber and woodworking products, petroleum products, petrochemicals, metal products, fertilisers, insulated wires, and cables, as well as construction materials [Table 18]. The volume of goods transported by rail in [2019] amounted to 1255.5

⁷⁴ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 12.

⁷⁵ Ibid, P. 13.

thousand tons, which was an increase by [41.5%] compared to the level of [2017]. The second place in terms of volumes of transported goods is held by road transport, the share of which in [2019] amounted to [34.2%]. This type of transport provided the transshipment of 653.3 thousand tons of cargo, which is [75.4%] more than in [2017]. Other types of transport account for less than [1%] of the total export profile. In the 10 months of 2020, 958.7 thousand tons of goods were delivered from Belarus to Latvia by rail, and 573.3 thousand tons were delivered by road.⁷⁶

| | Commodity | Weight, tones | Value, thousands euros |
|-----------|--|----------------------|-------------------------------|
| 1 | Oil products | 183 914,2 | 94 033,4 |
| 2 | Sawed timber | 432 605,0 | 77 929,1 |
| 3 | Fuel wood | 651 867,9 | 28 587,2 |
| 4 | Amino-aldehyde, phenolic-aldehyde resins and polyurethanes | 25 384,9 | 8 939,7 |
| 5 | Mineral fertilizers mixed | 28 865,0 | 8 766,1 |
| 6 | Particle boards | 32 929,8 | 8 131,5 |
| 7 | Boards and planks | 52 604,2 | 7 578,5 |
| 8 | Other hot rolled unalloyed steel rods | 16 118,2 | 7 168,8 |
| 9 | Rapeseed oil | 8 534,7 | 6 193,2 |
| 10 | Other wood products | 30 787,6 | 6 061,6 |

Table 18: TOP-10 export goods from Belarus to Latvia in 2019 Source: National Statistical Committee of the Republic of Belarus⁷⁷

⁷⁶ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 13.

⁷⁷ Ibid, P. 14.

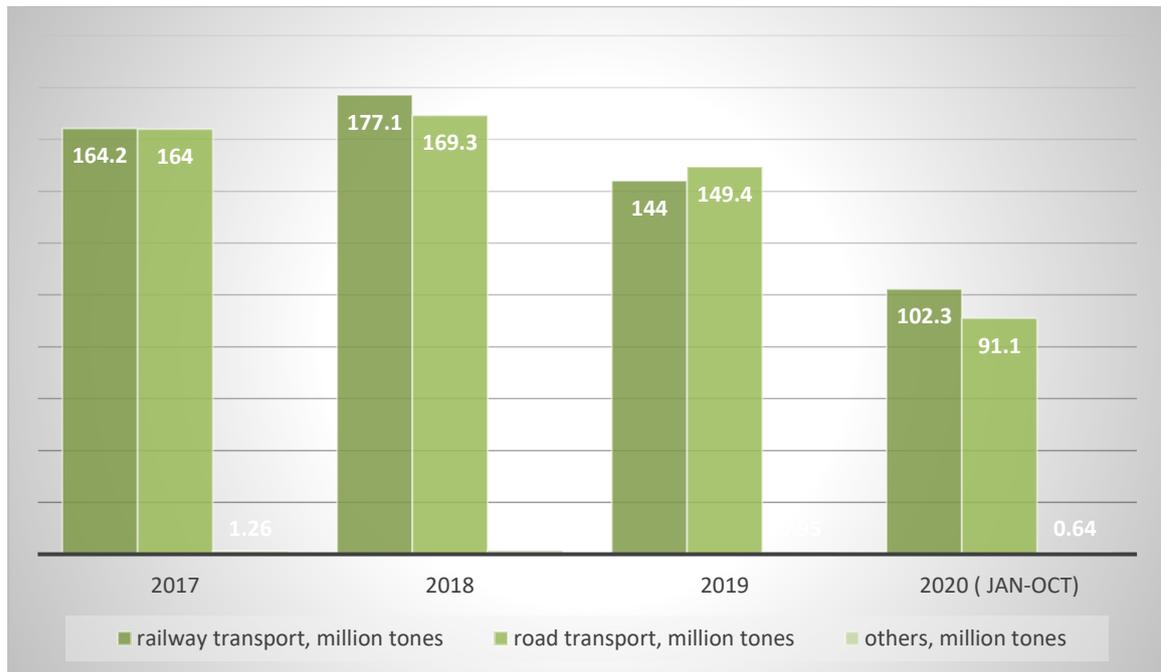


Figure 15: Import of goods to the Republic of Belarus from Latvia in 2017(Jan-Dec) – 2020 (Jan-Oct) by mode of transport. Source: National Statistical Committee of the Republic of Belarus⁷⁸

Import deliveries of goods from Latvia to Belarus are almost evenly distributed between rail and road transport, i.e., in [2019], [48.9%] of goods were delivered to Belarus by rail, and [50.7%] – by road [Figure 15] [Table 19]. In [January-October 2020], rail deliveries prevailed, when the total volume of goods transported by this type of transport amounted to 102.4 thousand tons. In turn, 91.1 thousand tons of goods were delivered by road.⁷⁹

⁷⁸ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 14.

⁷⁹ Ibid, P. 14.

| | | Weight, tones | Value, t EUR |
|----|---|---------------|--------------|
| 1 | Medicines packaged for retail sale | 74,4 | 14 868,00 |
| 2 | Cement | 70 157,50 | 3 719,10 |
| 3 | Brassieres, girdles, corsets, braces and similar articles and parts thereof | 75,3 | 3 276,60 |
| 4 | Centrifuges, equipment and devices for filtering liquids or gases | 304,7 | 2 562,10 |
| 5 | Machinery for woodworking, cork, plastics or similar materials | 334 | 2 550,60 |
| 6 | Petroleum products | 4 305,30 | 2 528,40 |
| 7 | Beer | 1 779,30 | 2 334,10 |
| 8 | Knitted fabrics over 30 cm wide with elastane | 124,3 | 2 275,30 |
| 9 | Animal feed | 1 506,10 | 1 983,90 |
| 10 | Other food products | 595,8 | 1 910,00 |

Table 19: TOP-10 import positions to Belarus from Latvia in 2019. Source: National Statistical Committee of the Republic of Belarus⁸⁰

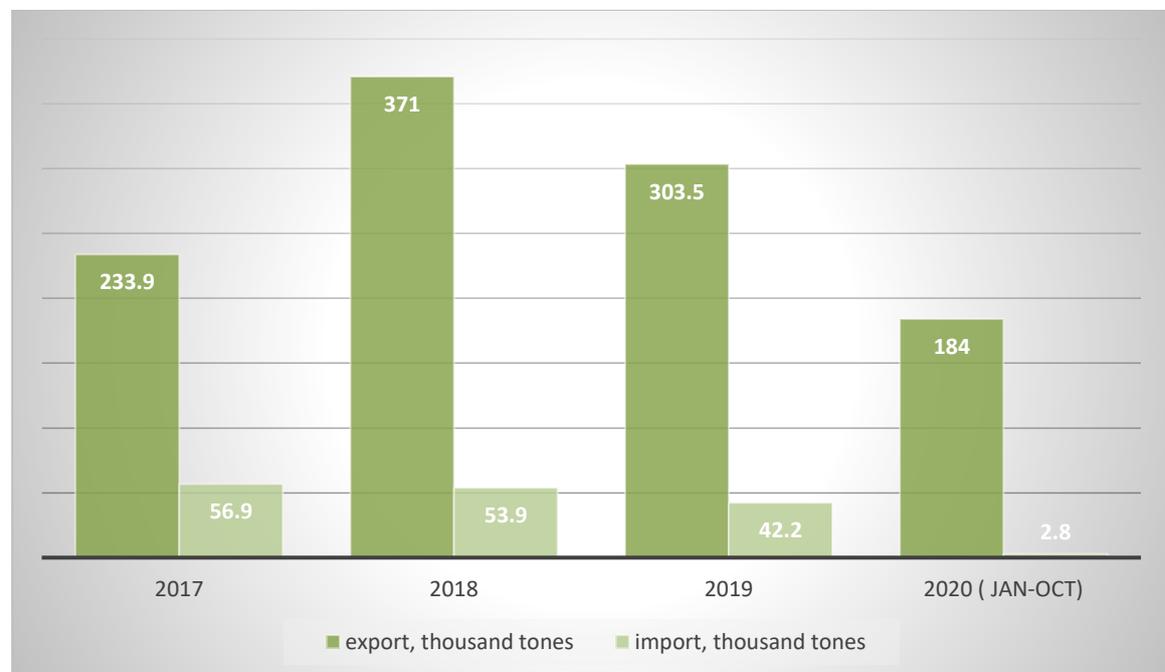


Figure 16: Foreign trade in goods between the Republic of Belarus and Estonia in 2017 - January-October 2020. Source: National Statistical Committee of the Republic of Belarus⁸¹

Relations between Belarus and Estonia have been steadily developing in recent years [Figure 16]. However, in [2019] there was a decrease in trade between Belarus and Estonia in terms of natural units.⁸²

⁸⁰ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 15.

⁸¹ Ibid, P. 15.

⁸² Ibid, P. 15

In [2019], 303.5 thousand tons of goods were delivered from Belarus to Estonia. The volume of exports increased that year by [29.8%] in comparison to the level of [2017], however, compared to [2018], it decreased by [18.2%]. Import of goods from Estonia to Belarus has been decreasing perpetually in [2017-2019], and in [2019] amounted to 42.2 thousand tons ([-25.8%] compared to the level of [2017]). In the [10 months of 2020], 184.0 thousand tons of goods were exported from Belarus to Estonia, while deliveries from Estonia to Belarus amounted to 27.7 thousand tons. It should be noted that the data presented centralises solely on the trade between Belarus and Estonia as the destination points of delivery of goods, excluding transit shipments.⁸³

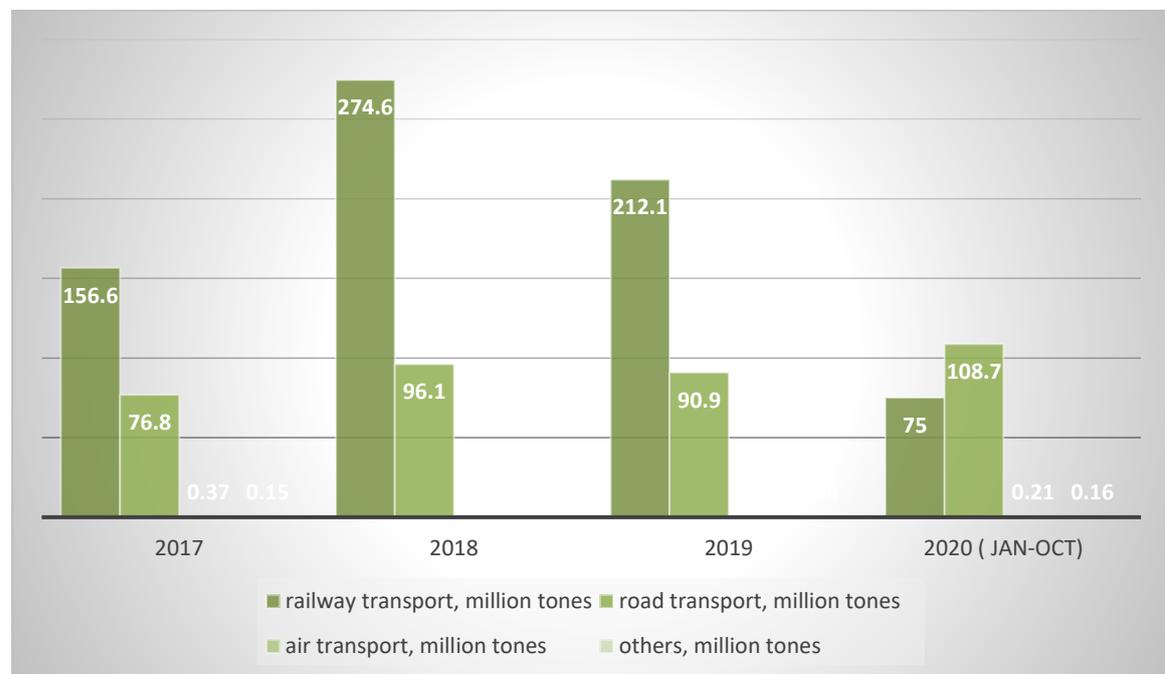


Figure 17: Export of goods from the Republic of Belarus to Estonia in 2017 (Jan-Dec) – 2020 (Jan-Oct) by mode of transport. Source: National Statistical Committee of the Republic of Belarus.⁸⁴

The largest volume of goods in [2019] from Belarus to Estonia was delivered by rail – 212.1 thousand tons ([69.9%] of the total shipment volume), has decreased by [22.8%] compared to the previous year [Figure 17]. In [2019], 90.9 thousand tons were delivered to Estonia by road ([-5.4%] compared to the previous year), with a share of exports by this type of transport amounting to [30.0%] of the total supply. It

⁸³ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 16.

⁸⁴ Ibid, P. 16.

is worth noting that in [January-October 2020] the opposite trend was observed – the volume by road transport exceeded the volume of freight carriages. In this period, 75.0 thousand tons were exported by rail, while 108.7 thousand tons were exported by road.⁸⁵

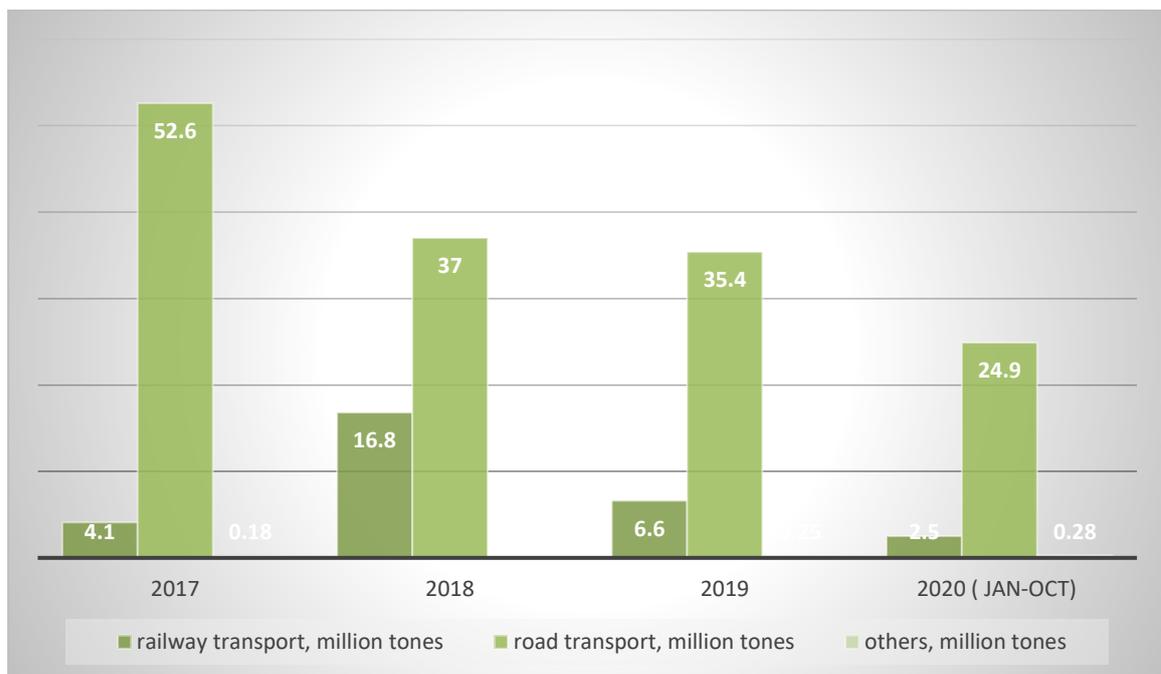


Figure 18: Import of goods to the Republic of Belarus from Estonia in 2017 (Jan-Dec) – 2020 (Jan-Oct) by mode of transport. Source: National Statistical Committee of the Republic of Belarus⁸⁶

A large volume of goods from Estonia to Belarus [Figure 18] was delivered by road transport in [2019] – 35.4 thousand tons (90.0% of the total supply), while, 6.6 thousand tons of cargo was imported by rail (9.1% of the total supply). Again, deliveries by road also exceeded the level of deliveries by rail in the period [January-October 2020].⁸⁷

⁸⁵ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 16.

⁸⁶ Ibid, P. 17.

⁸⁷ Ibid, P. 17.

3.2. Port of Klaipeda: influence on the potential of the Belarus - Latvia - Sweden Corridor

Potash fertilizers are one of the main directions of Belarusian exports to the Baltic ports. It should be noted that the Freeport of Ventspils remained the favourite for transshipment of Belarusian potash fertilizers for a long time. However, Latvia lost the transit of Belarusian potash fertilizers more than 10 years ago due to the fact that it could not compete with the port of Klaipeda, which managed to create more favourable conditions for transshipment of Belarusian potash fertilizers. In [2008], the Lithuanian port in Klaipeda and JSC *Belaruskali* entered into an agreement under which Lithuanian port companies began to apply competitive tariffs for the transshipment of Belarusian mineral fertilisers through their terminals. At the same time, stevedores and Belarusian cargo owners also began to conclude long-term contracts for the transshipment of cargo in the port, which became an additional advantage of the Lithuanian transit corridor.⁸⁸

It should be noted that in [2020] the Ministry of Finance of Belarus forecasts the export of potash fertilizers in the amount of 9.96 million tons (in physical weight) and export duties at the level of [1.4 billion BYN] or [440 million euros].⁸⁹

As for the country-wide diversification of cargo deliveries through ports, the best offer to Belarus is currently offered by the Lithuanian port. It should be noted that about 14-15 million Belarusian cargoes pass through the port of Klaipeda - about 10 million tons of potash fertilizers and about 4-5 million tons of oil products. That is, half of all Belarusian cargo traffic goes through Lithuania. Belarus is one of the most important trade partners of Lithuania. According to the Lithuanian side, Belarusian imports to Lithuania in [2019] increased by [2.3%] compared to [2018] to [783 million euros]. Belarusian exports in [2019] increased by [6.36%] to [1.2 billion euros], and Lithuanian - by 4.17% to [160 million euros]. *Lithuanian Railways* (LG) is the most important partner of the *Belarusian Railways* (BZD) in terms of international cargo transportation. Lithuania provides Belarus with optimal transport

⁸⁸ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 27.

⁸⁹ Ibid, P. 27.

and logistics schemes for the delivery of export-import cargo, such as potash fertilizers, oil products, ferrous metals. LRD transported 55 million tons of cargo in [2019], 19 million of which are associated with the Belarusian direction. For the first half of [2020], the dynamics are similar: out of 24 million tons of cargo, 9 million tons were Belarusian.⁹⁰

The Republic of Belarus does not have its own seaports. The main transit of Belarusian export-import cargo is carried out through the ports of Lithuania (Klaipeda) and Latvia (Freeport of Riga, Ventspils, Liepaja).⁹¹

3.3. Conclusions

The essential part of the effectiveness of Belarus – Latvia – Sweden is the attractiveness of the Freeport of Ventspils. The port's ability to attract Belarusian companies can determine the efficiency of the entire Belarusian-Latvian-Swedish route.

The Freeport of Ventspils can be proud of its well-developed and versatile infrastructure and a huge experience in working with Belarus and with different kinds of cargoes. Also, the freeport itself is a deep-water port with skilled labour. The geographical location is close both to Belarus and Western countries.

However, Ventspils is away from the main routes in the Baltic countries. For instance, the *Rail Baltica* has no direct connection to Ventspils. Besides, the Freeport of Ventspils must keep in mind that there is a strong competition with ports in Lithuania, and, specially, Russia that is trying both politically and economically to get the Belarusian cargoes. The situation is even more complicated because Latvia politically stands up against the regimes in Russia and Belarus.

Nevertheless, an opportunity could be seen in the attraction of Belarusian investments. In other words, Belarusian companies potentially could be ready to

⁹⁰ „Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, 2020, P. 28.-29.

⁹¹ Ibid, P. 30.

relocate or expand and work in Ventspils and in the territory of the Freeport of Ventspils. Belarusian companies would highly appreciate the transparency of ownership of the Freeport of Ventspils. It gives safety and self-assurance to the investors. Thus, they would be ready to invest in the Freeport of Ventspils. One must keep in mind, that the potential privatisation of the Belarusian companies will happen in a couple of years, therefore the private sector probably will be more interested to relocate to Ventspils. There could also be interest expressed by Belarusian Tech companies to work in Ventspils. According to *ASER*, more than 39% of respondents are considering relocation to other countries.

The Freeport of Ventspils is also characterised by the readiness to gain back activities very steeply in case of political regime change in Russia and Belarus. As an added value there are a lot of free territories for the development of the port.

4. Economic description of the Belarus-Latvia-Sweden Corridor

4.1. The role of the railway in the Belarus-Latvia-Sweden Corridor

From [2015] to [September 2020], the volume of cargo transported by *Latvian Railways Cargo (Latvijas Dzelzceļš Cargo, LDz Cargo)* in the three biggest ports has changed. In [2015], the volume of cargo provided by *LDz Cargo* in the port of Riga was significantly higher than in Ventspils. However, later, with one exception in [2019], the volume of cargo in Ventspils has become higher than in Riga.

The study collects *LDz Cargo* data from [2015 to September 2020] that were the last ones at that time. Therefore, there is no data about the volume of cargoes in the last three months of 2020. However, according to data, by [September 2020], it is expected that the volume of cargo during the whole of 2020 will shrink significantly. This probability is plausible because in the first three months the volume of cargo has significantly decreased compared to previous years.

In the Freeport of Ventspils and the Freeport of Riga, the main materials provided by *LDz Cargo* were oil products and wood (Appendix 1). However, in the port of Liepaja, the volume of wood has been the main type of cargo.

Unlike other countries, since [2015] Sweden has been one of the few countries where export from Belarus through Latvia was present every year. Apart from Sweden, only several countries received certain numbers of cargo every year as a recipient country: Belgium, Denmark, India, China, United Kingdom (UK), the Netherlands, Pakistan, Turkey, and Germany. Assessing cargo volumes from [2015] till [September 2020], Sweden is one of the most popular recipient countries: only the UK and the Netherlands received more cargo from Belarus than Sweden. In total, during these six years, Sweden as a recipient country received 1015.71 thousand tons of cargoes.

Between [2015] and [September 2020] to other countries 31 707.66 thousand tons of cargoes were sent through the Latvian ports from Belarus (*Table 20*).

| | 2020 (9 months) | 2019 | 2018 | 2017 | 2016 | 2015 | Total thsd t. |
|------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <i>United Kingdom</i> | 1165,46 | 2763,32 | 3858,56 | 4169,86 | 2011,46 | 4537,19 | 18 505,85 |
| <i>Netherlands</i> | 222,52 | 778,88 | 1459,83 | 1081,41 | 3089,77 | 2888,06 | 9520,47 |
| <i>Sweden</i> | 118,93 | 308,59 | 353,32 | 40,7 | 95,13 | 99,04 | 1015,71 |
| <i>Denmark</i> | 169,65 | 299,51 | 170,31 | 69,59 | 51,41 | 67,28 | 827,75 |
| <i>Turkey</i> | 0,25 | 0,46 | 57,87 | 29,25 | 89,57 | 42,87 | 220,27 |
| <i>Finland</i> | 90,03 | 87,55 | 2,9 | 14,8 | | 1,41 | 196,69 |
| <i>Colombia</i> | 0,75 | 26,71 | 18,95 | 37,43 | 24,2 | | 108,04 |
| <i>China</i> | 6,35 | 8,28 | 6,98 | 6,63 | 41,31 | 21,46 | 91,01 |
| <i>Azerbaijan</i> | | | 85,95 | | | | 85,95 |
| <i>Poland</i> | | 24,8 | 3,22 | 20,71 | 0,09 | | 48,62 |
| <i>Other countries</i> | 476,95 | 120,06 | 111,28 | 97,62 | 149 | 129,67 | 1087,3 |
| Total | 2250,89 | 4418,16 | 6129,17 | 5568,88 | 5551,94 | 7786,98 | 31 707,66 |

Table 20: Overview of the volume of cargo carried by LDZ CARGO Ltd. Import shipments to Latvian ports from Belarus by beneficiary (thsd t)

The main products are petroleum products, however, chemical cargoes and wood cargoes also have played a significant role. However, it is necessary to note that the volumes of oil and chemical cargoes have been decreasing during the last years. Therefore, the total volume of cargo is decreasing as well.

However, one must take into account that sometimes the real recipient country is not the same as written in papers. Therefore these statistics are reliable for around [65%].⁹²

On the contrary, the number of containers transported TEU has increased, however, it is predictable that this year the volume is going to fall (*Table 21*).

⁹² Interview with Māris Katranži, 19.02.2021.

(thsd.t.)

| | 2020 (9 months) | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------------------|----------------|----------------|----------------|----------------|----------------|
| <i>Grains, processed cereal products, seeds and fruits</i> | 25,04 | 46,50 | 42,23 | 10,46 | 12,65 | 29,71 |
| <i>Coal and wood</i> | 1,03 | 3,15 | 0,33 | 15,91 | - | - |
| <i>Petroleum products</i> | 1717,89 | 3692,99 | 5290,19 | 5366,25 | 5119,79 | 7007,75 |
| <i>Ammonia</i> | - | - | - | - | - | - |
| <i>Methanol</i> | - | - | - | - | - | 0,12 |
| <i>Chemical loads</i> | 39,74 | 50,08 | 241,32 | 148,26 | 146,82 | 614,35 |
| <i>Fertilizers</i> | 20,99 | 46,14 | 41,85 | 56,23 | 35,65 | 76,35 |
| <i>Timber</i> | 962,27 | 1173,47 | 823,67 | 362,40 | 787,56 | 704,71 |
| <i>Cotton</i> | - | - | - | - | - | - |
| <i>Metals and ferro-alloys</i> | 7,25 | 26,25 | 21,65 | 7,67 | 16,41 | 95,24 |
| <i>Other cargo</i> | 242,45 | 343,29 | 406,74 | 242,38 | 271,24 | 301,74 |
| Total | 3016,66 | 5381,87 | 6867,98 | 6209,56 | 6390,12 | 8829,97 |
| Number of containers transported, TEU | 1530 | 2594 | 2958 | 2925 | 1617 | 1247 |

Table 21: Information on the volume of freight transport from Belarus to Latvia 2015-2019 and 9 months of 2020 (thsd t)

The volume of import shipments from Belarus to Latvian railway stations during [2015] and [September 2020] has changed all the time (*Table 22*). The highest number was reached in [2015] and the lowest – in [2017]. However, in [2018] and [2019] the volume has increased again. The main product transported by *LDz Cargo* from Belarus was wood and oil products. However, the volume of oil products decreases per annum, therefore raising the significance of the wood. Moreover, in the first nine months in [2020], the volume of wood is higher than in the 12 months of the previous years.

| Year | Total weight | Grains and processed cereal products, fruit and seeds | Petroleum products | Chemical loads | Fertilizers | Timber | Metals and ferro-alloys | Other cargo | Freight containers | Number of containers (TEU) |
|-------------|--------------|---|--------------------|----------------|-------------|--------|-------------------------|-------------|--------------------|----------------------------|
| 2020 9 mths | 765,77 | 4,75 | 33,61 | 5,51 | 20,88 | 493,09 | 6,72 | 201,20 | 22,99 | 731 |
| 2019 | 963,71 | 11,09 | 132,61 | 7,54 | 36,62 | 453,60 | 24,00 | 298,26 | 31,42 | 1110 |
| 2018 | 738,82 | 20,65 | 139,38 | 8,28 | 41,30 | 227,04 | 21,50 | 280,68 | 32,17 | 1030 |
| 2017 | 640,67 | 8,14 | 164,87 | 8,84 | 55,82 | 220,56 | 7,67 | 174,77 | 34,23 | 1063 |
| 2016 | 838,18 | 11,42 | 90,73 | 7,25 | 35,21 | 504,38 | 14,38 | 174,81 | 11,68 | 349 |
| 2015 | 1042,99 | 11,18 | 235,07 | 9,24 | 75,02 | 486,94 | 95,11 | 130,43 | 0,08 | 18 |

Table 22: Overview of the volume of cargo carried by LDZ CARGO Ltd. Import shipments from Belarus to Latvian railway stations (thsd t). Source: LDz Cargo

4.2. The estimation of the current economic activity within the Belarus-Latvia-Sweden Corridor

It is observable that export from Belarus and then from Latvia to Sweden is larger than import from Sweden to the aforementioned countries. Also, there are differences between the commodities exported by these countries. From Belarus and Latvia to Sweden there is more export of wood, wood and metal production, while from Sweden, and also from Latvia to Belarus – machines and electrical devices are the dominant cargoes.

| Year | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------|--------|--------|--------|--------|--------|--------|
| Export (EUR) | 181.83 | 192.34 | 163.80 | 154.17 | 107.34 | 151.62 |

Table 23: The amount of export to Belarus from Latvia (from 2015 till October 2020) (mln., EUR),⁹³

During the last five years, the amount of export from Latvia to Belarus has gradually increased (Table 23). In [2015], the amount has reached 151.62 mln. EUR, but after this, with the exception in [2016], the amount increased year by year. The highest point was reached in [2019] – 192.34 mln. EUR.

| Year | 2020 | 2019 | 2018 | 2017 | 2016 | 2025 |
|--------------|--------|--------|--------|--------|--------|--------|
| Export (EUR) | 298.62 | 320.39 | 313.21 | 240.67 | 191.87 | 299.78 |

Table 24: The amount of export to Belarus from Latvia (from 2015 till October 2020) (mln., EUR) ⁹⁴

⁹³ The amount of export to Belarus from Latvia (from 2015 till October 2020) (mln., EUR) The source: Central Bureau of Statistics of Latvia, <https://eksports.csb.gov.lv/lv/years/countries-selected/export/2020/TOTAL/BY>

In a last five years, the numbers of import from Belarus to Latvia has changed from year to year and the highest point has been reached in [2019] – 320.39 mln. EUR (Table 24). Nevertheless, last year there was a slight decline.

| Year | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Export (EUR) | 758.22 | 854.34 | 911.32 | 705.50 | 621.88 | 538.55 |

Table 25: The amount of export to Sweden from Latvia (from 2015 till October 2020) (mln., EUR)⁹⁵

The amount of export from Latvia to Sweden has been increasing annually until [2019] (Table 25). The highest indicator was reached in [2018] when the export amounted to 911.32 mln.

| Year | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Export (EUR) | 509.19 | 522.34 | 489.51 | 456.70 | 435.23 | 413.99 |

Table 26: The amount of import from Sweden to Latvia (from 2015 till October 2020) (mln., EUR)⁹⁶

The amount of imports from Sweden to Latvia has increased gradually since [2015] (Table 26). The highest point was reached in [2019] when the amount has reached 522.34 mln. EUR. Similar to the numbers in tables [22], [23], and [24], also in table [25] the amount of activity in comparison with the year 2020 has reduced.

The following table only mentions those sectors, in which the volume of import or export has exceeded five million euro in at least one year.

| Year / Commodities | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Machines, mechanisms, electrical equipment | 35.64 | 37.74 | 34.94 | 31.86 | 21.33 | 37.66 |
| Machinery and mechanical appliances, boilers, boilers and parts thereof | 21.66 | 25.20 | 21.88 | 24.02 | 15.17 | 19.51 |
| Electrical equipment and parts thereof | 13.98 | 12.54 | 13.05 | 7.83 | 6.16 | 18.14 |
| Food industry products, beverages, alcohol and tobacco | 29.52 | 31.95 | 28.38 | 23.90 | 16.11 | 21.00 |
| Beverages, spirits and vinegar | 18.62 | 21.33 | 16.89 | 16.21 | 10.76 | 13.04 |
| Products of the chemical or allied industries | 28.27 | 30.56 | 29.78 | 25.12 | 20.00 | 21.75 |
| Pharmaceutical products | 19.30 | 20.84 | 20.45 | 16.80 | 13.75 | 14.69 |
| Optical devices and apparatus, clocks and musical instruments | 25.45 | 23.90 | 17.12 | 23.42 | 11.97 | 25.11 |
| Optical devices and apparatus, medical equipment | 25.42 | 23.87 | 17.09 | 23.42 | 11.09 | 25.10 |
| Textile and textile products | 21.99 | 23.70 | 18.42 | 15.48 | 13.21 | 11.16 |
| Other made up textile articles, sets, worn clothing and worn textile articles | 11.35 | 10.62 | 7.63 | 4.95 | 3.66 | 3.49 |
| Plastics and articles thereof, rubber and rubber products | 16.88 | 17.71 | 11.36 | 12.44 | 9.75 | 9.41 |
| Plastics and articles thereof | 15.51 | 16.84 | 10.32 | 11.48 | 8.93 | 8.47 |
| Metals and articles thereof | 6.56 | 4.84 | 3.91 | 3.60 | 2.52 | 3.76 |
| Miscellaneous manufactured articles | 5.50 | 6.13 | 5.86 | 4.98 | 3.56 | 2.68 |
| Animals and livestock products | 2.73 | 1.73 | 0.48 | 0.83 | 0.90 | 6.66 |

Table 27: The trade to Belarus from Latvia (from 2015 till 2020) (mln., EUR)⁹⁷

⁹⁴ The amount of export to Sweden from Latvia (from 2015 till October 2020) (mln., EUR) The source: Central Bureau of Statistics of Latvia, <https://eksports.csb.gov.lv/lv/years/countries-selected/export/2020/TOTAL/BY>

⁹⁵ Ibid

⁹⁶ Ibid

⁹⁷ The trade to Belarus from Latvia (from 2015 till 2020) (mln., EUR) CSB, <https://eksports.csb.gov.lv/lv/years/countries-selected/export/2020/TOTAL/BY>

According to CSB of Latvia, the main commodities transported from Latvia to Belarus were machines, mechanisms and electrical equipment, optical devices and apparatus, products of the chemical or allied industries, and products manufactured by the food industry (*Table 27*).

It can be observed that the fall of goods in [2016] and the increase in [2019] has taken place together with the fall and rise of several products and goods. For instance, in [2016] the decline has been observed among such commodities as machines, mechanisms, optical devices, and apparatus, but in [2019] the rise in volume has been observed in such sectors as optical devices, the food industry, and plastics and relevant articles.

| Year / Commodities | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|--------------|--------------|---------------|
| Wood and wood production | 171.48 | 159.70 | 142.73 | 83.56 | 74.08 | 60.38 |
| Raw wood | 0.44 | 0.25 | 8.00 | 3.13 | 13.68 | 23.56 |
| Sawn timber | 82.61 | 78.05 | 90.33 | 52.33 | 29.24 | 17.31 |
| Firewood, chips and shavings | 56.26 | 49.81 | 31.83 | 8.52 | 9.04 | 11.26 |
| Different types of slabs | 8.95 | 10.46 | 8.00 | 10.04 | 4.68 | 0.6 |
| Wooden cards, piles and stakes | 10.24 | 10.43 | 5.71 | 4.47 | 13.21 | 3.31 |
| Various chipboards | 3.07 | 4.17 | 1.92 | 10.04 | 4.68 | 0.61 |
| Mineral products | 25.66 | 57.41 | 64.22 | 72.01 | 52.10 | 126.85 |
| Petroleum oils and oils obtained from bituminous minerals | 18.65 | 48.40 | 57.47 | 66.72 | 47.92 | 119.57 |
| Plastics and articles thereof, rubber and rubber products | 21.99 | 23.70 | 18.42 | 15.48 | 13.21 | 11.16 |
| Other made up textile articles, sets, worn clothing and worn textile articles | 11.35 | 10.62 | 7.63 | 4.95 | 3.66 | 3.49 |
| Plastics and articles thereof, rubber and rubber products | 24.88 | 20.09 | 21.57 | 17.65 | 6.76 | 4.31 |
| Plastics and articles thereof | 24.67 | 20.03 | 21.36 | 17.60 | 6.26 | 3.68 |
| Metals and articles thereof | 12.34 | 20.07 | 21.04 | 12.57 | 13.81 | 41.61 |
| Iron and steel | 4.16 | 9.95 | 10.73 | 4.11 | 5.46 | 32.95 |
| Copper and articles thereof | 3.49 | 4.95 | 4.32 | 3.8 | 4.56 | 4.9 |
| Food industry products, beverages, alcohol and tobacco | 10.27 | 7.82 | 8.06 | 6.57 | 6.60 | 8.61 |
| Beverages, spirits and vinegar | 5.63 | 4.46 | 4.47 | 4.30 | 3.99 | 4.02 |
| Textile and textile products | 10.23 | 10.97 | 7.88 | 6.37 | 3.97 | 3.96 |
| The clothes | 6.21 | 7.97 | 5.53 | 3.66 | 2.16 | 1.52 |
| Chemical and intersectoral products | 9.99 | 14.97 | 15.08 | 16.30 | 12.98 | 27.47 |
| Fertilizers | 6.18 | 10.21 | 10.47 | 12.08 | 8.86 | 22.1 |
| Stone, plaster, cement, glass, ceramic products | 8.82 | 8.86 | 11.99 | 7.47 | 5.04 | 3.09 |
| Articles of stone, plaster, cement, asbestos, mica or similar materials | 5.75 | 5.13 | 8.83 | 4.64 | 3.07 | 1.65 |
| Machines, mechanisms, electrical equipment | 8.47 | 8.12 | 7.30 | 7.54 | 7.43 | 8.62 |
| Electrical equipment and parts thereof | 6.33 | 5.79 | 4.51 | 4.44 | 4.71 | 6.26 |
| Fats and oils | 0.037 | X | 0.06 | 0.73 | 0.002 | 5.14 |
| Animal or vegetable fats and oils | 0.037 | X | 0.06 | 0.73 | 0.002 | 5.13 |

Table 28: The trade from Belarus to Latvia (from 2015 till 2020) (mln., EUR)⁹⁸

⁹⁸ The trade from Belarus to Latvia (from 2015 till 2020) (mln., EUR) CSB, <https://eksports.csb.gov.lv/lv/years/countries-selected/import/2020/TOTAL/BY>

The structure of Belarusian export to Latvia has changed over the years (*Table 28*). In 2015 the backbone of Belarusian export was made up of mineral products and, partly, wood and wood products. However, in 2019 the volume of mineral products has been significantly decreased. Also, the volume of metals and articles thereof and the volume of chemicals and intersectoral products has been decreased since 2015. At the same time, from 2015 till 2019 the volume of wood and wood products has more than doubled but the volume of plastics and articles thereof – has raised more than 4 times.

| Year / Commodities | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|--------------|---------------|---------------|
| Machines, mechanisms, electrical equipment | 168.31 | 169.01 | 121.06 | 99.26 | 108.12 | 107.03 |
| Machinery and mechanical appliances, boilers, boilers and parts thereof | 90.57 | 87.20 | 83.76 | 73.06 | 63.64 | 64.76 |
| Electrical equipment and parts thereof | 77.74 | 81.82 | 37.30 | 26.21 | 44.48 | 42.27 |
| Firewood, chips and shavings | 56.26 | 49.81 | 31.83 | 8.52 | 9.04 | 11.26 |
| Metals and articles thereof | 51.77 | 48.48 | 44.91 | 50.55 | 44.10 | 45.81 |
| Iron and steel | 20.39 | 21.71 | 20.02 | 20.04 | 16.80 | 17.14 |
| Articles of iron or steel | 12.80 | 12.01 | 11.16 | 13.52 | 12.86 | 12.13 |
| Articles of aluminium | 2.06 | 1.63 | 2.87 | 3.36 | 4.80 | 7.37 |
| Articles of various metals | 7.70 | 5.82 | 4.41 | 5.56 | 5.17 | 3.86 |
| Vehicles | 47.84 | 83.86 | 89.82 | 97.71 | 70.82 | 68.25 |
| Various vehicles | 47.57 | 83.67 | 89.71 | 66.46 | 67.08 | 60.44 |
| Railway or tramway locomotives and infrastructure | 0.0006 | 0.009 | 0.0001 | 0.0097 | 3.57 | 7.27 |
| Paper and pulp | 35.44 | 33.20 | 33.13 | 34.46 | 30.57 | 34.17 |
| Paper and pulp, articles of paper and pulp | 35.14 | 32.71 | 32.56 | 33.75 | 29.65 | 33.39 |
| Animals and livestock products | 30.09 | 30.67 | 31.21 | 29.82 | 40.63 | 26.25 |
| Fish and crustaceans, molluscs and other aquatic invertebrates | 29.05 | 29.93 | 30.42 | 29.01 | 39.69 | 25.62 |
| Food industry products, beverages, alcohol and tobacco | 26.28 | 25.24 | 23.87 | 22.76 | 18.57 | 15.25 |
| Beverages, spirits and vinegar | 11.03 | 9.89 | 9.88 | 9.28 | 7.26 | 5.90 |
| Chemical and intersectoral products | 23.87 | 7.82 | 8.06 | 6.57 | 6.60 | 8.61 |
| Pharmaceutical products | 9.29 | 4.46 | 4.47 | 4.30 | 3.99 | 4.02 |
| Weapons and ammunition | 22.84 | 1.02 | 11.52 | 0.9 | 4.31 | 0.35 |
| Plastics and articles thereof, rubber and rubber products | 22.75 | 24.97 | 31.56 | 26.43 | 24.43 | 22.87 |
| Articles of plastics | 17.31 | 19.42 | 21.75 | 18.02 | 16.80 | 14.86 |
| Articles of rubber | 5.44 | 5.58 | 9.81 | 8.41 | 7.62 | 8.01 |
| Textile and textile products | 17.25 | 16.22 | 14.18 | 13.89 | 15.44 | 14.54 |
| The clothes | 6.21 | 7.97 | 5.53 | 3.66 | 2.16 | 1.52 |
| Vegetable products | 13.43 | 15.14 | 11.26 | 11.86 | 12.23 | 8.07 |
| Coffee and tea | 5.32 | 5.72 | 3.80 | 3.77 | 3.60 | 3.10 |
| Various manufactured articles | 12.84 | 15.80 | 17.02 | 16.44 | 17.34 | 17.61 |
| Furniture, beds and other household equipment | 6.46 | 8.63 | 10.76 | 9.82 | 11.15 | 9.27 |
| Toys and sports equipment | 4.58 | 5.01 | 4.26 | 4.19 | 3.91 | 5.95 |
| Wood and wood production | 11.00 | 7.40 | 6.39 | 4.95 | 3.83 | 5.18 |
| Wood and articles of wood | 10.99 | 7.38 | 6.38 | 4.94 | 3.83 | 5.17 |
| Animal or vegetable fats and oils | 0.037 | X | 0.06 | 0.73 | 0.002 | 5.13 |
| Optical devices and apparatus, clocks and musical instruments | 10.91 | 15.78 | 15.18 | 13.42 | 10.52 | 10.02 |
| Optical devices and apparatus, medical equipment | 10.60 | 15.42 | 14.90 | 13.12 | 9.84 | 9.48 |
| Fat and oils | 2.47 | 2.43 | 2.80 | 4.30 | 2.96 | 5.23 |

Table 29: The trade from Sweden to Latvia (from 2015 till 2020) (mln., EUR). CSB⁹⁹

⁹⁹ The trade from Sweden to Latvia (from 2015 till 2020) (mln., EUR) CSB, <https://eksports.csb.gov.lv/lv/years/countries-selected/import/2019/TOTAL/SE>

The backbone of Swedish export to Latvia over the years has been machines, mechanisms, and electrical equipment (*Table 29*). All the other commodities have been far away from the volume reached by the machines, mechanisms, and electrical equipment. Moreover, the volume in some commodities groups has decreased, including, the vehicles, plastics, and articles thereof.

| Year / Commodities | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Wood and wood production | 201.81 | 261.43 | 281.35 | 179.07 | 168.59 | 161.81 |
| Wood and wood products | 201.81 | 261.43 | 281.35 | 179.06 | 168.59 | 161.81 |
| Metals and articles thereof | 109.64 | 107.42 | 105.04 | 87.99 | 73.95 | 75.99 |
| Articles of iron and steel | 72.56 | 68.95 | 64.99 | 50.87 | 42.37 | 43.16 |
| Iron and steel | 23.76 | 25.40 | 26.18 | 24.69 | 17.91 | 20.60 |
| Articles of aluminium | 6.70 | 4.83 | 7.22 | 3.98 | 4.66 | 4.8 |
| Articles of various metals | 4.62 | 4.66 | 3.89 | 5.11 | 5.33 | 5.31 |
| Stone, plaster, cement, glass, ceramic products | 85.18 | 84.58 | 99.39 | 85.58 | 88.58 | 43.73 |
| Articles of stone, plaster, cement, asbestos, mica or similar materials | 79.94 | 78.57 | 95.39 | 82.16 | 85.12 | 40.91 |
| Various manufactured articles | 69.56 | 68.10 | 62.62 | 64.51 | 38.68 | 25.53 |
| Furniture, beds and other household equipment | 67.77 | 67.13 | 62.05 | 63.87 | 37.80 | 25.18 |
| Machines, mechanisms, electrical equipment | 57.44 | 55.54 | 65.05 | 57.10 | 39.54 | 36.85 |
| Machinery and mechanical appliances, boilers, boilers and parts thereof | 31.84 | 29.81 | 37.94 | 26.03 | 21.04 | 21.48 |
| Electrical equipment and parts thereof | 25.60 | 25.73 | 27.10 | 31.07 | 18.50 | 15.39 |
| Textiles and textile articles | 37.08 | 47.82 | 40.92 | 39.05 | 37.88 | 36.75 |
| Articles of apparel and clothing accessories, not knitted or crocheted | 15.65 | 27.57 | 24.46 | 23.33 | 22.24 | 21.69 |
| Other made-up textile articles, sets, worn clothing and worn textile articles | 13.81 | 12.70 | 11.62 | 10.94 | 10.23 | 9.9 |
| Vehicles | 34.51 | 47.73 | 50.67 | 44.50 | 39.08 | 31.69 |
| Various vehicles | 26.02 | 38.52 | 41.43 | 33.14 | 25.56 | 21.17 |
| Ships, boats and other water transport | 7.94 | 7.90 | 8.65 | 10.06 | 9.68 | 6.57 |
| Plastics and articles thereof, rubber and rubber products | 31.25 | 26.51 | 25.05 | 24.01 | 20.52 | 16.78 |
| Plastics and articles thereof | 26.63 | 22.98 | 22.81 | 20.78 | 16.91 | 12.92 |
| Wood pulp, paper | 28.70 | 29.94 | 30.17 | 29.83 | 27.91 | 26.42 |
| Books, newspapers and other printed matter | 24.30 | 25.64 | 25.82 | 26.31 | 24.52 | 22.92 |
| Food industry products, beverages, alcohol and tobacco | 27.85 | 28.38 | 27.52 | 28.07 | 23.94 | 22.99 |
| Articles of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates | 17.38 | 17.77 | 18.13 | 18.74 | 15.20 | 14.62 |
| Products of the chemical or allied industries | 24.24 | 48.63 | 55.42 | 34.95 | 30.84 | 35.81 |
| Mixed chemical products | 15.78 | 37.41 | 45.01 | 26.79 | 24.31 | 30.78 |
| Soaps and candles | 5.27 | 6.52 | 7.89 | 6.24 | 4.18 | 3.01 |
| Mineral products | 14.80 | 13.81 | 12.08 | 7.89 | 3.76 | 2.48 |
| Cement | 14.71 | 13.46 | 11.99 | 7.83 | 3.71 | 2.41 |
| Vegetable products | 14.15 | 18.36 | 39.26 | 6.34 | 13.19 | 7.39 |
| Cereal products | 0.70 | 12.54 | 23.89 | 1.41 | 8.46 | 4.56 |
| Rape or colza seeds, other seeds and oils | 7,52 | 1.15 | 10.28 | x | 0.93 | x |
| Optical devices and apparatus, clocks and musical instruments | 9.96 | 7.12 | 7.06 | 6.55 | 6.55 | 5.25 |
| Optical devices and apparatus, medical equipment | 9.81 | 6.98 | 6.89 | 6.28 | 5.98 | 4.91 |
| Animals and livestock products | 7.87 | 8.16 | 9.19 | 9.58 | 8.42 | 8.23 |
| Meat and edible meat offal | 7.14 | 7.45 | 8.52 | 6.63 | 6.71 | 5.40 |

Table 30: The trade from Latvia to Sweden (from 2015 till October 2020) (mln., EUR)¹⁰⁰

¹⁰⁰ The trade from Latvia to Sweden (from 2015 till October 2020) (mln., EUR), CSB, <https://eksports.csb.gov.lv/lv/years/countries-selected/export/2020/TOTAL/SE>

The amount of commodities imported from Latvia to Sweden is significantly larger than import from Sweden to Latvia (*Table 30*). At the same time, the groups of commodities are relatively similar to the ones that Belarus is importing to Latvia. Moreover, the rise of export of wood to Sweden from Latvia has been increased simultaneously with the rise of export of wood from Belarus to Latvia.

By far the largest export volume has been in wood and wood production. However, the amount of export in [2020] is not able to reach the level of [2018]. Significant volume has been metals and articles thereof and stone, plaster, cement, glass, ceramic products, and others.

| Year / Commodities | Till September 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------------|-------|-------|-------|-------|-------|
| Machinery and mechanical appliances | No data | 26.37 | 41.00 | 19.85 | 10.18 | 18.50 |
| Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof | No data | 22.78 | 38.78 | 18.57 | 8.85 | 15.87 |
| Plastics and articles thereof, rubber and rubber products | No data | 9.01 | 5.04 | 9.50 | 9.01 | 7.23 |
| Plastics and articles thereof | No data | 8.91 | 4.92 | 9.45 | 9.00 | 7.10 |
| Base metals and articles of base metals | No data | 4.08 | 4.13 | 3.69 | 3.46 | 5.83 |

Table 31: The trade from Sweden to Belarus (from 2015 till October 2020) (mln., EUR), Source: Statistikaamet

The trade from Sweden to Belarus was based on several commodity groups (*Table 31*). The main one of them is machinery and mechanical appliances, especially, nuclear reactors, boilers, machinery, and mechanical appliances. A significant part has been covered by plastics and articles thereof.

| Year / Commodities | Till September 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------|---------------------|------|------|------|------|------|
| Various manufactured articles | No data | 5.67 | 5.15 | 2.85 | 2.95 | 2.32 |
| Furniture, mattress etc. | No data | 5.45 | 4.98 | 2.67 | 2.76 | 2.15 |
| Mineral products | No data | 1.34 | 5.09 | 4.25 | 4.25 | 4.54 |

Table 32: The trade from Belarus from Sweden (from 2015 till October 2020) (mln., EUR) Source: Statistikaamet

Since [2015], there are just a couple of commodity groups where the volume reached more than [5 mln EUR] in a year [*Table 32*]. These are furniture, mattresses, and other commodities needed for the home, as well as mineral products used in processing.

4.3. Freight transport between Sweden and Latvia/Belarus

In Sweden, approximately two-thirds of all freight transports are concentrated to five major transport corridors, which mainly are in conformity with the defined Swedish

sections of the TEN-T core network. Seen both from a national and international perspective, the major transport routes and nodes stand well over time. One of the corridors is between the East European Continent – Baltic Sea Coast.¹⁰¹

Many Swedish ports are specialised in handling only certain types of goods. The ports of Göteborg, Brofjorden, Helsingborg, Malmö, Trelleborg, Stockholm and Luleå are the main gateway ports in foreign trade.¹⁰²

The port of Nynäshamn is located 270.45 km away from Ventspils, Latvia, and is one of the parts of the port of Stockholm. Therefore it is the closest port on the Swedish mainland. However, the port of Visby, located on Gotland, is located even closer – 198 km from Ventspils but there are not so many other sea routes as in Nynäshamn and this is not such an economical centre and region as Stockholm.

The largest port in Sweden based on the volume of cargo¹⁰³ – the port of Gothenburg – geographically is located in the western part of Sweden and even further than a port of Stockholm – 761 km, including sea route Ventspils – Nynäshamn and highway Nynäshamn – Gothenburg. Also, the second largest port in Sweden – the port of Trelleborg – geographically is located in another part of Sweden – south-west of Sweden – that is further than the port of Stockholm or 563 km. The port of Stockholm is the third biggest port of Sweden.

One more reason why the port of Stockholm is a more profitable partner for Ventspils is the fact that Stockholm and the region of Stockholm are highly technologically developed and are in a densely populated region. The Stockholm-Mälars region

¹⁰¹ Identification of bottlenecks and inefficiencies on selected East-West corridors, Survey summary report, Corridors: Northern corridor, Middle corridor and Southern corridor, Wahlström, I., Åbo Akademi University, September, 2020., P.21., 24.

¹⁰² Identification of bottlenecks and inefficiencies on selected East-West corridors, Survey summary report, Corridors: Northern corridor, Middle corridor and Southern corridor, Wahlström, I., Åbo Akademi University, September, 2020, P.27..

¹⁰³ Largest ports in Sweden in 2018, based on volume of cargo, [www.statista.com, https://www.statista.com/statistics/1066646/ranking-of-ports-in-sweden-based-on-volume-of-goods/](https://www.statista.com/statistics/1066646/ranking-of-ports-in-sweden-based-on-volume-of-goods/),

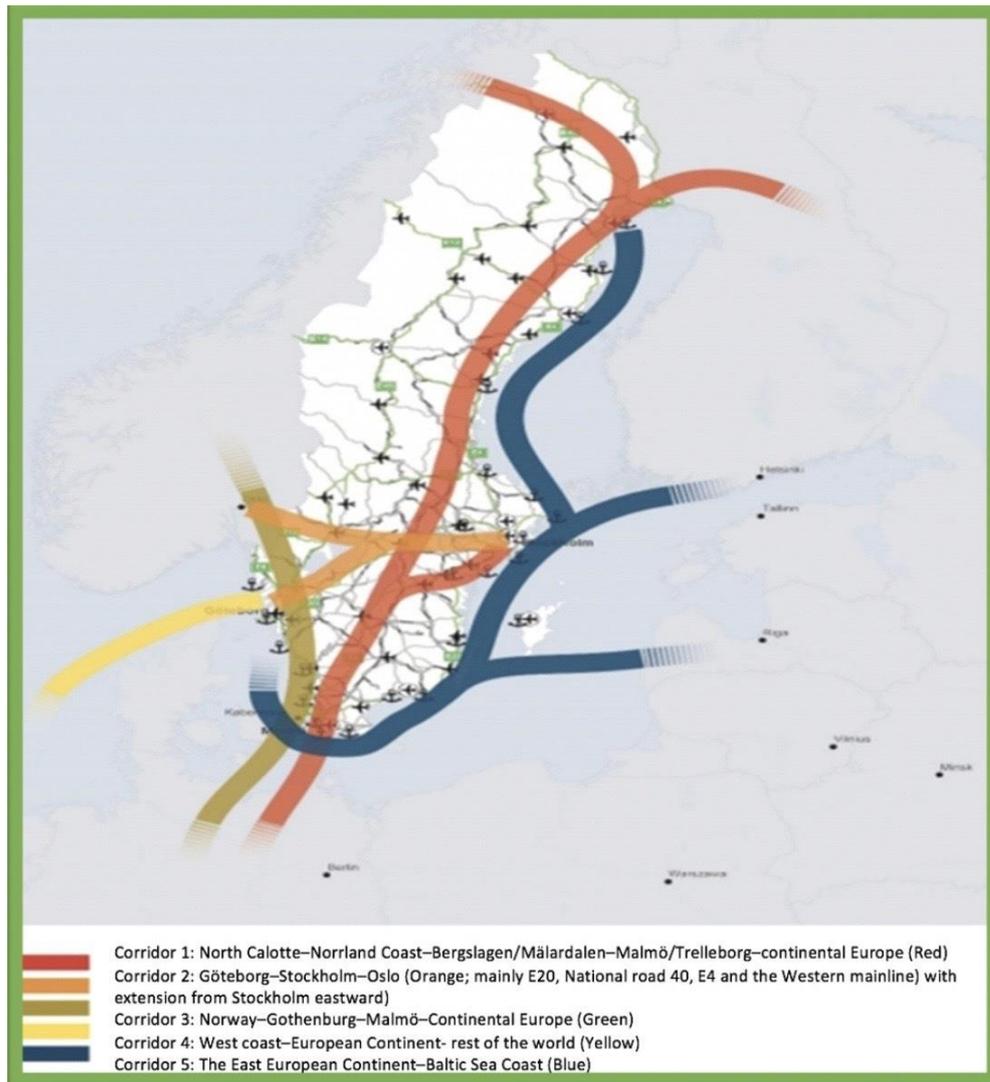
constitutes the biggest consumer market in Sweden, with extensive product production and large transit flows of goods.¹⁰⁴

And, finally, the port of Stockholm is a good starting point for the distribution of the commodities not only in Sweden but also in other parts of Northern Europe and even other parts of Europe. There are five main major routes in Sweden and Stockholm is a part of at least in a three of them, therefore ensuring the transit of foreign commodities. The port of Stockholm has a direct approach to the Corridor 1 (North Calotte – Norrland Coast – Bergslagen/Mälardalen – Malmö /Trelleborg – continental Europe), Corridor 2 (Göteborg–Stockholm–Oslo), and Corridor 5 (The East European Continent–Baltic Sea Coast) According to [Map 3], there are five bottlenecks in Swedish transport system:

- Corridor 1: North Calotte–Norrland Coast–Bergslagen/Mälardalen–Malmö/Trelleborg–continental Europe (Red)
- Corridor 2: Göteborg–Stockholm–Oslo (Orange; mainly E20, National road 40, E4 and the Western mainline) with extension from Stockholm eastward)
- Corridor 3: Norway–Gothenburg–Malmö–Continental Europe (Green)
- Corridor 4: West coast–European Continent- rest of the world (Yellow)
- Corridor 5: The East European Continent–Baltic Sea Coast (Blue)¹⁰⁵

¹⁰⁴ „Identification of bottlenecks and inefficiencies on selected East-West corridors”, Wahlstrom, I., Abo Akademi University, Survey summary report, Corridors: Northern corridor, Middle corridor and Southern corridor. September, 2020., P.23.

¹⁰⁵ Main transport corridors in Sweden. Identification of Bottlenecks and Inefficiencies on Selected East-West Corridors. P.21. Trafikverket.



Map 3: Main transport corridors in Sweden¹⁰⁶

Transport operations are hindered by bottlenecks in the transport system [Map 3]. Some bottlenecks occur due to regulatory or political framework or decisions, some are also the result of operational inefficiencies by transport operators or logistics service providers, some – physical bottlenecks caused by a demand for freight transport that exceeds the available capacity of infrastructure.¹⁰⁷

¹⁰⁶ Main transport corridors in Sweden. Identification of Bottlenecks and Inefficiencies on Selected East-West Corridors. P.21. Trafikverket.

¹⁰⁷ Port Hinterland Connectivity, Discussion Paper No. 2015-13, Olaf Merk International Transport Forum Paris Theo Notteboom Dalian Maritime University Peoples' Republic of China, May 2015, P.21.-23.

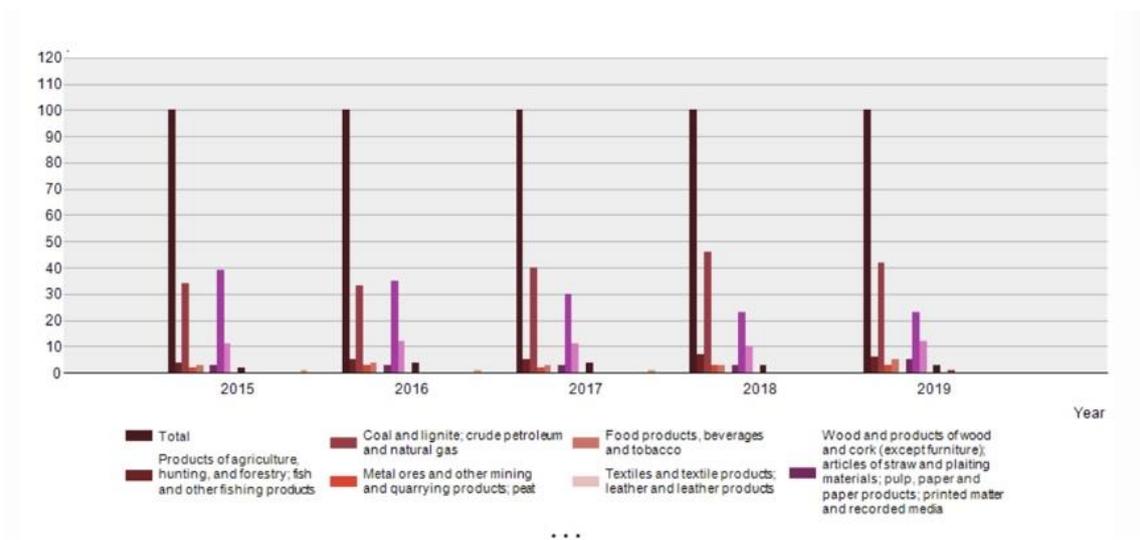


Figure 19: Freight traffic by rail by group of goods¹⁰⁸

Between [2015] and [2019], the main groups of goods exported from Latvia to Sweden were coal and lignite, crude petroleum, and natural gas as well as refined petroleum products. Chemicals, chemical products, and man-made fibres and rubber, and plastic products were some of the most transported products. The network is visible on [Map 4].

¹⁰⁸ Freight traffic by rail by group of goods, The Central Statistical Bureau of Latvia, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_ikgad/TRG230.px/ The numbers given on request by the authors of the research



Map 4: The TEN-T Core Network Corridors¹⁰⁹ (Trans – European Transport network).

| | In international transportation | In exports transportation | In imports transportation | In transit transportation | From international transportation – via Latvian ports |
|-------------|--|----------------------------------|----------------------------------|----------------------------------|--|
| 2015 | 53'974 | 2849 | 48'277 | 2848 | 45'439 |
| 2016 | 46'337 | 2384 | 42'036 | 1917 | 39'480 |
| 2017 | 42'136 | 1839 | 36'584 | 3713 | 35'038 |
| 2018 | 47'896 | 2381 | 40'470 | 5045 | 39'413 |
| 2019 | 39'781 | 2287 | 32'949 | 4545 | 31'631 |

Table 33: Freight traffic by rail (thsd.t.)¹¹⁰

According to data issued by the CSB [Table 33], there is a fall, almost in all the indicators of the freight traffic: in international transportation, in export

¹⁰⁹ The TEN-T Core Network Corridors (Trans – European Transport network) , <https://www.portnews.it/en/european-observatory/radar/trans-european-transport-network/>

¹¹⁰ Freight traffic (thsd. t.), The Central Statistical Bureau of Latvia, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_ikgad/TRG210.px/table/table_ViewLayout1/

transportation, in import transportation, and via Latvian ports. The only exception is transit transportation.

| | In International transportation | In exports transportation | In imports transportation | In transit transportation | From international transportation – via Latvian ports |
|-------------|---------------------------------|---------------------------|---------------------------|---------------------------|---|
| 2015 | 18'453 | 867 | 16'721 | 865 | ... |
| 2016 | 15'482 | 687 | 14'255 | 540 | ... |
| 2017 | 14'608 | 554 | 12'912 | 1142 | ... |
| 2018 | 17'523 | 777 | 15'098 | 1648 | 15'089 |
| 2019 | 14'563 | 720 | 12'633 | 1210 | 11'947 |

Table 34: Cargo traffic by rail (Million tonne km)¹¹¹

From [2015] to [2019], the volume of freights in international transportation have decreased from 18 453 to 14 563 (-21.09% in comparison with [2015]) [Table 34]. However, the volume of cargo traffic by rail in transit transportation has increased.

| | Cargo traffic (thsd t) | | | | | Cargo turnover (min tonne-kilometres) | | | | |
|-------------|------------------------|----------------|-----------------|----------------|---------------|---------------------------------------|----------------|-----------------|----------------|---------------|
| | Total | Rail transport | Water transport | Road transport | Air transport | Total | Rail transport | Water transport | Road transport | Air transport |
| 2015 | 118'227 | 55'645 | - | 62'569 | 13 | 33'605 | 18'906 | - | 14'690 | 9 |
| 2016 | 111'200 | 47'819 | - | 63'389 | 12 | 30'111 | 15'873 | - | 14'227 | 11 |
| 2017 | 111'811 | 43'785 | - | 68'012 | 14 | 29'999 | 15'014 | - | 14'972 | 13 |
| 2018 | 125'977 | 49'260 | - | 76'703 | 14 | 32'871 | 17'859 | - | 14'997 | 15 |
| 2019 | 115'260 | 41'489 | - | 73'755 | 16 | 30'002 | 15'019 | - | 14'965 | 18 |

Table 35: Cargo traffic and cargo turnover by mode of transport in Latvia.¹¹²

During [2015] and [2019] there were no crucial changes in cargo traffic by mode of transport [Table 35]. There was an increase in [2018] when cargo traffic totally reached almost 126 000 thousand tons, but basically, the total amount of cargo traffic varies from 111 000 to 118 000 thousand tons. Concerning certain types of transport, it is observed that between [2015] and [2019] the volume of cargo transported by rail decreased but the number of cargo transported by road increased.

¹¹¹ Cargo traffic by rail, CSB, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_ikgad/TRG210.px/table/table_ViewLayout1/

¹¹² Cargo traffic and cargo turnover by mode of transport, The Central Statistical Bureau of Latvia

| | Exports | | | Imports | | |
|------|---------|------------------|--------|----------|------------------|--------|
| | EU-28 | EU-27(from 2020) | CIS | EU-28 | EU-27(from 2020) | CIS |
| 2015 | 7674.5 | - | 1234.2 | 9994.1 | - | 1561.5 |
| 2016 | 7747.4 | - | 1183.2 | 9889.5 | - | 1318.9 |
| 2017 | 8275.5 | - | 1502.4 | 11'000.3 | - | 1512.5 |
| 2018 | 9089.5 | - | 1614.0 | 11'674.4 | - | 1828.2 |
| 2019 | 9367.2 | - | 1707.3 | 12'243.9 | - | 1617.9 |
| 2020 | 5979.4 | 4800.5 | 977.8 | 7490.1 | 6385.4 | 930.4 |

Table 36: Exports and imports by grouping of countries by years (mln euro)¹¹³

The amount of export from the EU and CIS has increased from [2015] to [2019] respectively by [18.08%] and [27.72%] [Table 36]. Also, the volume of imports from the EU and CIS has increased from [2015] to [2019] respectively by [22.5%] and [3.6%].

| | 2020./ 2019. | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------------|--------|----------|----------|----------|----------|----------|
| Total volume of cargo | -45,5 | 17'241 | 31'644,9 | 36'109,9 | 33'314 | 34'262,2 | 42'589,7 |
| Internal cargo volume | 12,1 | 1429 | 1274,5 | 1043,7 | 1233,1 | 1147,5 | 1122,1 |
| International cargo volume | -47,9 | 15'812 | 30'370,4 | 35'066,3 | 32'080,9 | 33'114,7 | 41'467,6 |
| Export cargo volume | 15,6 | 243 | 210,2 | 222,8 | 250,7 | 852,8 | 1182,5 |
| Import cargo volume | 2,2 | 2514 | 2460,2 | 2313,5 | 2302,4 | 3018 | 3094,2 |
| Total transit cargo volume | -52,9 | 13'055 | 27'700 | 32'529,9 | 29'527,8 | 29'244 | 37'191 |
| Transit through ports | -55,7 | 10'778 | 24'321,2 | 28'593,8 | 27'035,7 | 28'003,3 | 34'693 |
| Transit through territory by land | -32,6 | 2277 | 3378,8 | 3936,2 | 2492,1 | 1240,7 | 2498 |

Table 37: Comparison of railway cargo turnover by types 9 months 2015-2020, (thsd. t.)¹¹⁴

In comparison with [2015], the total volume of cargo decreased in [2016] and remained basically the same until [2020] when the decrease reached [-45.5%] [Table 37]. Comparing the first nine months in [2019] and [2020] one can notice the drastic changes in several indicators: transit through parts [-55.7%], total transit cargo volume [-52.9%], and international cargo volume [-47.9%].

Also, potash fertilizers exported from Belarus to Sweden traditionally are the basis of the Belarusian exports to Sweden. Other important export products are fuel wood,

¹¹³ Exports and imports by grouping of countries by years (mln euro), The Central Statistical Bureau of Latvia, https://data.csb.gov.lv/pxweb/lv/atirdz/atirdz_atirdz_istern/AT021m.px

¹¹⁴ Comparison of railway cargo turnover by types 9 months 2015-2020, (thsd. t.), Ministry of Transport, https://www.sam.gov.lv/sites/sam/files/data_content/statistika_ostas_dzelzcels_09.2020.pdf

furniture, and its parts, linen fabrics, animal or vegetable fats and oils for technical or industrial use, non-alloy steel rods.¹¹⁵

According to statistics provided by the Embassy of Belarus in Sweden, in [2019] the turnover of trade in services between Belarus and Sweden was [28 mln USD] or [23.51 mln EUR] [Table 38]. Most part of this turnover was made by the export of services from Belarus: [20.1 mln USD] or [16.88 mln EUR]. Therefore the volume of import has reached [7.9 mln USD] or [6.63 mln EUR]. The essential positions of the Belarusian export are IT, transport and other business services, and among the clients of the Belarusian IT companies are Swedish companies like *Spotify*, *ICA*, and *ICA Banken*.¹¹⁶

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| Turnover | 155.3/130.42 | 171.2/143.78 | 135.3/113.63 | 124.1/104.22 | 126.4/106.15 |
| Export | 44.8/4.03 | 52.1/43.75 | 29.9/25.11 | 33.1/27.8 | 45.5/38.21 |
| Import | 110.5/92.8 | 119.1/100.02 | 105.4/88.52 | 91.1/76.51 | 80.9/67.94 |

Table 38: Bilateral trade between Belarus and Sweden in 2015-2019 (mln USD/EUR)¹¹⁷

The key destinations for the export of potash fertilizers from the Republic of Belarus are Brazil, India, and China, whose combined share in exports in [2019] amounted to [44.0%]. This is followed by Indonesia [6.6%], the USA [5.4%], and other countries. As for petroleum products, their largest volumes are exported to the UK (48.5% of the total supply in [2019]), Ukraine [32.4%], the Netherlands [12.2%], other European countries (Poland, Latvia, Lithuania), and others.¹¹⁸

Thus, recently Belarus has been actively exporting potash fertilizers to the countries of Latin America, Africa, and the Asia-Pacific region, as well as oil products to Great Britain – export to all directions is possible only by sea transport. According to industry experts, the ports of the Baltic countries are the shortest logistic leg for Belarus. In addition, the export of products of the Belarusian economic zones, created

¹¹⁵ Trade and Economic Cooperation, Embassy of the Republic of Belarus in the Kingdom of Sweden, [Trade and Economic Cooperation - Embassy of the Republic of Belarus in the Kingdom of Sweden \(mfa.gov.by\)](http://mfa.gov.by)

¹¹⁶ Trade and Economic Cooperation, Embassy of the Republic of Belarus in the Kingdom of Sweden, [Trade and Economic Cooperation - Embassy of the Republic of Belarus in the Kingdom of Sweden \(mfa.gov.by\)](http://mfa.gov.by)

¹¹⁷ Ibid

¹¹⁸ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, p. 22.-23.

with the participation of Chinese capital, goes through these sea harbors. Moreover, they find a place for the transportation of Russian, Kazakh, and other foreign trade goods through such ports of the Baltic Sea as Klaipeda (Lithuania), Riga (Latvia), Ventspils (Latvia), Kaliningrad (Russia), etc., passing through the territory of Belarus.¹¹⁹

4.4. Forecast analysis on Belarus-Latvia-Sweden Corridor

In January 2020, the Minister of Transport of Latvia Talis Linkaits noted that one of the ways to develop cooperation with Belarus is to establish a state-owned oil terminal because Belarus is also used to working with state guarantees and state-owned structures. At that time all port terminals are private and thus decisions are made based on their business interests. He also noted that Belarus has addressed several terminals in Riga and Ventspils about possible cooperation, and the issue is being addressed. The Minister also emphasised that Latvian ports have the technical possibility to tranship oil and petroleum products to and from Belarus – in both directions. There are technical possibilities to organise the supply of Belarusian oil both in the ports of Riga and Ventspils and in one terminal also in the port of Liepaja.¹²⁰

One should take into account that at this very moment there are two institutions that work on attracting potential investors. This feature can make it more difficult the cooperation with potential investors since they are not sure which institution should be the right one. However, recently foreign enterprises have been attracted and now operate in Ventspils. Among them, one company from Belarus – *Ultraplast EU* – that produces polycarbonate sheets.¹²¹¹²²

¹¹⁹ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, p. 23.

¹²⁰ „Linkaits: Iespējams, valstij vajadzētu investēt ostu terminālī, lai nodrošinātu kravu plūsmu”, www.delfi.lv, https://www.delfi.lv/bizness/biznesa_videlinkaits-iespejams-valstij-vajadzetu-investet-ostu-terminali-lai-nodrosinatu-kravu-plusmu.d?id=51829815 27.01.2020.

¹²¹ „Liepājas ostā cerīgi raugās uz nākotni; Ventspils ostu plosa konflikts”, www.lsm.lv, [Liepājas ostā cerīgi raugās uz nākotni; Ventspils ostu plosa konflikts / Raksts / LSM.lv](http://www.lsm.lv/Liepajas_osta_cerigi_raugas_uz_nakotni_Ventspils_ostu_plosa_konflikts_Raksts_LSM.lv), 06.02.2021.

¹²² Ventspilī ražos polikarbonāta loksnes, <https://www.portofventspils.lv/lv/jaunumi-un-notikumi/ventspili-razos-polikarbonata-loksnes/>, 27.11.2019.

One of the things that can influence the politics of Belarusian cargo transit is the relationships between Russia and Belarus. With increasing political problems in Belarus and the sanctions against Belarus introduced by the Baltic States, the Russian prime minister Mikhail Mishustin and Belarusian prime minister Roman Golovchenko have discussed the possibility to divert transit from the Baltics to Russia.¹²³¹²⁴

Moreover, the Russian Ministry of Transport can suggest that Belarusian shippers construct a fertilizer terminal in a Russian port, according to Deputy Minister Yuri Tsvetkov. However, the *Russian Railways* already provides a [50%] discount for its Belarusian colleagues. The throughput cost in ports is often higher though because there are no long-term Take-or-Pay contracts. No discounts from the budget are planned to reduce the transportation cost of Belarusian goods.¹²⁵

Therefore, at the beginning of [2021] *Klaipedos nafta* (KN) acknowledged that [2021] is going to be tough, because *Belarusian Oil Company* (BOC) decided temporarily to stop the export of oil products through Klaipeda.¹²⁶ And, finally, in 2021, Lithuania acknowledged that fact and added that this decision will unfavourably influence the port of Klaipeda and LR. According to Lithuanian authorities, the agreement between Belarus and Russia is not economically justified and both Lithuania and Belarus are no winners in this situation.¹²⁷

¹²³ „Krievija un Baltkrievija apspriedušas naftas plūsmu pārorientēšanu no Klaipēdas uz Krievijas ostām”, www.delfi.lv, <https://www.delfi.lv/news/arzemes/krievija-un-baltkrievija-apspriedusas-naftas-plusmu-parorientesanu-no-s-uz-krievijas-ostam.d?id=52437371> 03.09.2020

¹²⁴ „Belarus may stop oil supplies via Klaipeda port”, <https://belsat.eu/en/>, <https://belsat.eu/en/news/belarus-may-stop-oil-supplies-via-klaipeda-port/> 17.12.2020.

¹²⁵ „Moscow eyes proposal for Belarus to build fertilizer terminal in Russian port”, <https://www.hellenicshippingnews.com/>, <https://www.hellenicshippingnews.com/moscow-eyes-proposal-for-belarus-to-build-fertilizer-terminal-in-russian-port/>, 25.11.2020.

¹²⁶ „Потерявшую белорусские грузы компанию Klaipedos nafta ожидает сложный год”, <http://www.delfi.lt/ru/>, <https://www.delfi.lt/ru/news/economy/poteryavshuyu-belorusskie-gruzy-kompaniyu-klaipedos-nafta-ozhidaet-slozhnyj-god.d?id=86360971> , 29.01.2021.

¹²⁷ „Baltkrievijas naftas produkti turpmāk tiks eksportēti caur Krievijas ostām, nevis Klaipēdu”, www.delfi.lv, <https://www.delfi.lv/business/pasaule/baltkrievijas-naftas-produkti-turpmak-tiks-eksporteti-caur-krievijas-ostam-nevis-klaipedu.d?id=52958977>, 22.02.2021.

Even before these announcements reached the population, Latvia also did not hide that despite the fact that the policy has not affected the volume of cargo transhipped through Latvia, it cannot be sure that the situation will not change.¹²⁸¹²⁹¹³⁰

Therefore, one of the alternatives for the Freeport of Ventspils is cargoes from China. Moreover, China is searching for new ways to ensure its cargo to Europe. Latvia is mainly advantageous for those cargo that are sent to Sweden and Norway.¹³¹ Besides Latvian officials have already started to search for opportunities to ensure the flow of transit between Scandinavia (first of all, Sweden) and CIS countries, Central Asia, the Middle East, and China. Taking into account that China wants to increase the volume of cargo to Scandinavia, Latvia has already started to research ways to provide more services of the Latvian ports for the Belarusian partners.¹³²

Poland is also working on developing routes around Eastern Europe and the Baltic Sea. Poland's port of Gdansk has signed a letter of intent with the Ukrainian Sea Ports Authority to open up a new alternative transport corridor between the Black Sea and the Baltics.¹³³

At the same time, the Freeport of Ventspils continues to strengthen its cooperation with *Stena Line*. The universal cargo terminal *SIA Noord Natie Ventspils Terminals* has signed a 20-year agreement with Swedish shipping company *Stena Line*. According to the agreement, both sides are going to invest in the zone of the terminal for meeting growing and current tonnage needs. *Stena Line* emphasises that Ventspils

¹²⁸ „Baltkrievu kravu zaudēšana vairāk kaitētu Ventspils ostai un „Latvijas dzelzceļam””, www.lsm.lv/https://www.lsm.lv/raksts/zinas/ekonomika/baltkrievu-kravu-zaudesana-vairak-kaitetu-ventspils-ostai-un-latvijas-dzelzcelam.a373845/ 10.09.2020.

¹²⁹ „Kravu apjoms ostās rūk, tranzīta bizness ar bažām sagaida Baltkrievijas sankciju sekas”, [www.lsm.lv, https://www.lsm.lv/raksts/zinas/ekonomika/kravu-apjoms-ostas-ruk-tranzita-bizness-ar-bazam-sagaida-baltkrievijas-sankciju-sekas.a372982/](http://www.lsm.lv/https://www.lsm.lv/raksts/zinas/ekonomika/kravu-apjoms-ostas-ruk-tranzita-bizness-ar-bazam-sagaida-baltkrievijas-sankciju-sekas.a372982/), 06.09.2020.

¹³⁰ „Лукашенко намерен «взяться» за грузопоток из Литвы и Латвии”, [www.tut.by, https://news.tut.by/economics/702845.html?c](http://www.tut.by/news.tut.by/economics/702845.html?c) 05.10.2020.

¹³¹ „Skaitļi un fakti: Latvijas ostas meklē jaunas kravas”, [www.lsm.lv, https://www.lsm.lv/raksts/zinas/ekonomika/skaitli-un-fakti-latvijas-ostas-mekle-jaunas-kravas.a345628/](http://www.lsm.lv/https://www.lsm.lv/raksts/zinas/ekonomika/skaitli-un-fakti-latvijas-ostas-mekle-jaunas-kravas.a345628/) 22.01.2020.

¹³² „Latvijas transporta dienās Zviedrijā prezentēja tranzīta koridora priekšrocības”, [www.delfi.lv, https://www.delfi.lv/news/transport-sodien-rit/latvijas-transporta-dienas-zviedrija-prezenteja-tranzita-koridora-prieksrocibas.d?id=51709919](http://www.delfi.lv/news/transport-sodien-rit/latvijas-transporta-dienas-zviedrija-prezenteja-tranzita-koridora-prieksrocibas.d?id=51709919) 10.12.2019.

¹³³ „Port of Gdansk to open new Black Sea to the Baltic trade route”, <https://www.seatrade-maritime.com/>, Lee Hong Liang, <https://www.seatrade-maritime.com/ports-logistics/port-gdansk-open-new-black-sea-baltic-trade-route>, 16.12.2020.

is a place and a way how to connect Scandinavia with the Baltic states and Russia, and CIS.¹³⁴

One more adjunct that is going to influence the operation of Belarusian enterprises is the political and economic situation. A number of firms are considering the option of relocating their business or even have already begun to do so. For example, in [2020], record growth in the registration of businesses from Belarus was recorded in a number of regions of Poland, and in some of these regions, Belarus among the other countries took first place in this indicator. The quality of legal and law enforcement systems is often seen as a key criterion for the quality of public institutions and the business climate in general. The lack of guarantees of the protection of their rights limits the inflow of new businesses into the national economy, while they, as a rule, provide the greatest contribution to productivity growth.¹³⁵

Moreover, it will take time to restore confidence in the Belarusian national currency and the financial system. A business that will migrate, unlikely will be ready quickly to return to Belarus.¹³⁶

Regarding the future, experts are also emphasising that financial destabilisation, the worsening political crisis, pandemic, new tensions with Russia, new shocks in the global economy, sanctions, waves of migration – any of these risks will undermine the fragile trend of recovery growth. As a result, development scenarios for the Belarusian economy range from meagre growth (up to 1.5%) with the preservation of elements of financial and price stability (if all threats are neutralised and a significant improvement in the external environment) to a sharp and large-scale deepening of the recession (up to 10%) with financial and price destabilisation (in the case of the implementation of the above threats).¹³⁷ According to the results of the survey *IT*

¹³⁴ „Stena Line paraksta 20 gadu līgumu par regulāru prāmju satiksmi no Ventspils ostas”, <https://www.tvnet.lv/>, <https://www.tvnet.lv/7169676/stena-line-paraksta-20-gadu-ligumu-par-regularu-pramju-satiksmi-no-ventspils-ostas>, 01.02.2021.

¹³⁵ „Белорусский экономический обзор, 3-4 кварталы 2020”, www.ipm.by, <https://www.ipm.by/media/publications/publicbus/belorusskiy-ekonomicheskiy-obzor-3-4-kvartaly-2020/>, P.4. 03.02.2021.

¹³⁶ „Эксперты: Есть предпосылки для отсроченной и затянутой рецессии”, www.ipm.by, <https://www.ipm.by/media/publications/prensa/eksperty-est-predposylki-dlya-otsrochennoy-i-zatyanutoy-retsessii/>, 04.02.2021.

¹³⁷ Ibid

business: what companies fear and how they react to risks done by the Belarusian research centre *BEROC*, 48.6% of respondents consider certain decisions related to relocation. Most often, they determined for themselves the possible temporary relocation of individual employees and individual assistance to employees wishing to relocate.¹³⁸

4.5. Competitors' analysis

One of the potentially biggest competitors in the BSR and in the competition for the Belarusian transit and ensuring the East-West and South-North transit way are the Polish ports. Despite the fact that Poland is out of the *Baltic Loop* one should examine the cargo volumes between Poland and Sweden. Some of these ports have a strong collaboration with Sweden, particularly, the port of Gdynia and the port of Swinojuscie.

| 1000 t | Latvia | Lithuania | Poland |
|------------------------------------|---------------|---------------|---------------|
| Total | 57 189 | 52 244 | 92 368 |
| Inwards | 8456 | 19 379 | 62 688 |
| Outwards | 48 792 | 32 866 | 30 591 |
| Dry bulk total | 33 029 | 19 941 | 29 254 |
| Inwards | 2933 | 12 111 | 22 283 |
| Outwards | 90 096 | 7831 | 7039 |
| Liquid bulk total | 14 486 | 20 667 | 26 032 |
| Inwards | 2915 | 2990 | 21 656 |
| Outwards | 11 630 | 17 677 | 5179 |
| Containers total | 3889 | 6657 | 23 083 |
| Inwards | 1321 | 2597 | 10 989 |
| Outwards | 2568 | 4059 | 12 096 |
| Ro-Ro (trucks and trailers) | 1915 | 1750 | 8926 |
| Inwards | 737 | 717 | 4492 |
| Outwards | 1178 | 1032 | 4434 |
| Other cargo | 3871 | 1675 | 5073 |
| Inwards | 550 | 317 | 3250 |
| Outwards | 3321 | 1358 | 1842 |

Table 39: Total Cargo Handled in Polish ports 2019 with all trading partners Source: Eurostat

Among Latvia, Lithuania, and Poland the largest cooperation of Sweden in [2019] was with Polish ports (Table 39). However, there is a crucial difference – unlikely to

¹³⁸ IT-бизнес: чего опасаются компании и как реагируют на риски, www.ipm.by, <https://www.ipm.by/media/publications/pressa/it-biznes-chego-opasayutsya-kompanii/>, 21.01.2021.

Lithuania and in particular to Latvia, the most cargo was shipped inwards. Two-thirds of the cargo was received. In particular, regarding the dry bulks and liquid bulks.

| 1000 t | Latvia | Lithuania | Poland |
|------------------------------------|-------------|-------------|---------------|
| Total | 4982 | 2274 | 10 662 |
| Inwards | 802 | | 5318 |
| Outwards | 4181 | | 5344 |
| Dry bulk total | 1703 | 685 | 663 |
| Inwards | 137 | | 300 |
| Outwards | 1566 | | 363 |
| Liquid bulk total | 547 | 70 | 462 |
| Inwards | 3 | | 186 |
| Outwards | 544 | | 277 |
| Containers total | 294 | --- | 688 |
| Inwards | 112 | | 550 |
| Outwards | 182 | | 139 |
| Ro-Ro (trucks and trailers) | 1444 | 815 | 8382 |
| Inwards | 513 | | 4185 |
| Outwards | 931 | | 4197 |
| Other cargo | 994 | 317 | 466 |
| Inwards | 37 | | 98 |
| Outwards | 957 | | 368 |

Table 40: Total Cargo Handled in Polish ports with Sweden Source: Eurostat

Regarding the total volume of cargo handled with Sweden, it is noticeable that the biggest amount was handled in Poland (Table 40). However, Latvia is the busiest country and it has the busiest ports regarding the dry bulk and liquid bulk cargo, while Poland – ro-ro cargo (more than four-fifths of total Polish cargo handled with Sweden).

| 1000 t | Latvia | Riga | Ventspils | Liepaja |
|------------------------------------|-------------|-------------|-------------|------------|
| Total | 4982 | 2261 | 1929 | 792 |
| Inwards | 802 | 273 | 509 | 20 |
| Outwards | 4181 | 1989 | 1419 | 772 |
| Dry bulk total | 1703 | 951 | 157 | 594 |
| Inwards | 137 | 117 | -- | 20 |
| Outwards | 1566 | 834 | 157 | 574 |
| Liquid bulk total | 547 | 238 | 309 | -- |
| Inwards | 3 | 3 | -- | -- |
| Outwards | 544 | 235 | 309 | -- |
| Containers total | 294 | 292 | 2 | -- |
| Inwards | 112 | 112 | -- | -- |
| Outwards | 182 | 179 | 2 | -- |
| Ro-Ro (trucks and trailers) | 1444 | 142 | 1303 | -- |
| Inwards | 513 | 27 | 485 | -- |
| Outwards | 931 | 115 | 817 | -- |
| Other cargo | 994 | 638 | 157 | 198 |

| 1000 t | Latvia | Riga | Ventspils | Liepaja |
|----------|--------|------|-----------|---------|
| Inwards | 37 | 13 | 24 | -- |
| Outwards | 957 | 625 | 134 | 198 |

Table 41: Total cargo handled by Latvia and Latvian ports with Sweden in 2019. Source: Eurostat Only regular ro-ro traffic from Riga-Stockholm (TallinkSilja)

Data shows that in [2019] the volume of cargo shipped out of Latvia was significantly more than received (Table 41). This tendency appeared according to all the three biggest Latvian ports and regarding all the kinds of cargo.

The busiest among the three Latvian biggest ports was the Freeport of Riga. However, there were differences regarding the most popular cargo in each port. For instance, the dry bulk cargo was the most popular in Riga, while liquid bulk cargo and ro-ro cargoes were the most popular in Ventspils.

| 1000 t | Klaipeda (LT) | Gdansk (PL) | Gdynia (PL) | Police (PL) | Swinoujscie (PL) | Szczecin (PL) |
|-----------------------------------|---------------|-------------|-------------|-------------|------------------|---------------|
| Total | 2274 | 987 | 2781 | 18 | 6327 | 550 |
| Inwards | | 415 | 1582 | 2 | 3034 | 285 |
| Outwards | | 572 | 1198 | 16 | 3293 | 265 |
| Dry bulk total | 685 | 94 | 220 | 18 | 35 | 296 |
| Inwards | | 28 | 95 | 2 | 1 | 273 |
| Outwards | | 66 | 125 | 16 | 34 | 123 |
| Liquid bulk total | 70 | 378 | 18 | --- | --- | 67 |
| Inwards | | 110 | 9 | --- | --- | 67 |
| Outwards | | 268 | 9 | --- | --- | --- |
| Containers total | ---- | 96 | 578 | --- | --- | 14 |
| Inwards | | 51 | 499 | --- | ---- | 0 |
| Outwards | | 45 | 79 | --- | --- | 14 |
| Ro-ro (truks and trailers) | 815 | 383 | 1174 | --- | 6225 | --- |
| Inwards | | 223 | 946 | --- | 3016 | --- |
| Outwards | | 160 | 829 | --- | 3210 | --- |
| Other cargo | 317 | 37 | 191 | --- | 66 | 173 |
| Inwards | | 3 | 34 | --- | 17 | 44 |
| Outwards | | 34 | 157 | --- | 50 | 128 |

Table 42: The total cargo handled with Sweden by Lithuanian and Polish ports in 2019 (Source: Eurostat)

Among the Lithuanian and Polish ports collaborating with Sweden, the busiest were Swinoujscie, Gdynia, and Klaipeda (Table 42). In the ports of Swinoujscie and Gdynia, by far the main sector of cargo in cooperation with Sweden was ro-ro cargo. However, a notable part of cargoes in the port of Gdynia was ensured by the cargoes of containers.

| 1000 t | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total (inwards / outwards) | 19 600 (2598 / 17 002) | 19 195 (2483 / 16 712) | 18 734 (1928 / 16 805) | 17 949 (1830 / 16 119) | 21 530 (1571 / 19 959) |
| Liquid bulk goods | 10 232 (1880 /8351) | 10 335 (1528 / 8807) | 10 473 (1286 / 9187) | 10 376 (854 / 9522) | 14 083 (674 / 13 410) |
| Dry bulk goods | 7438 (140 / 7298) | 6837 (385 / 6452) | 6535 (126 / 5035) | 5161 (126 / 5035) | 5039 (114 / 5195) |
| Ro-Ro mobile self-propelled units (road vehicles, trailers, passenger cars, motorcycles, trade vehicles etc.) | 1082 (417 / 664) | 1115 (416 / 699) | 1059 (409 / 650) | 1607 (691 / 916) | 1459 (642 / 818) |
| Other cargo not elsewhere specified | 625 (92 / 533) | 665 (84 / 581) | 488 (25 / 464) | 444 (16 / 428) | 419 (31 / 388) |
| Ro-Ro - mobile non-self-propelled units (unaccompanied road good trailers, semi-trailers, agricultural and industrial vehicles, etc.) | 221 (68 / 153) | 229 (70 / 159) | 178 (49 / 130) | 359 (142 / 217) | 259 (111 / 148) |
| Large containers | 2 (0 / 2) | 14 (0 / 14) | | 1 (1 / -) | ---- |

Table 43: Gross weight of goods transported to/from the Freeport of Ventspils (all trading ports, Source: Eurostat)

The clear majority of goods transported to or from the Freeport of Ventspils in all the sectors of the cargo were exported (Table 43).

The total quantity of gross weight through the Freeport of Ventspils has not changed a lot since [2015], however, there was a relatively small drop. Basically, it is connected with the drop of liquid bulk goods where the decline of gross weight was best seen.

| 1000 t | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total (inwards / outwards) | 1842 (509 / 1333) | 1821 (487 / 1335) | 1591 (465 / 1126) | 2086 (721 / 1366) | 1763 (608 / 1154) |
| Ro-Ro mobile self-propelled units | 1082 (417 / 664) | 1155 (416 / 699) | 1058 (409 / 649) | 1469 (627 / 841) | 1227 (546 / 680) |
| Liquid bulk goods | 232 (--- / 232) | 222 (--- / 222) | 146 (--- / 146) | 143 (3 / 140) | 109 (--- / 109) |
| Ro-Ro - mobile non-self-propelled units | 221 (68 / 153) | 229 (70 / 159) | 178 (49 /130) | 289 (84 / 204) | 195 (62 / 133) |
| Dry bulk goods | 156 (--- / 156) | 127 (---- / 127) | 89 (8 / 81) | 86 (6 / 79) | 96 (-- / 96) |
| Other cargo not elsewhere specified | 149 (24 / 126) | 129 (1 / 128) | 120 (---- / 120) | 100 (--- / 100) | 136 (--- / 136) |
| Large containers | 2 (0 / 2) | (-----) | (--- / ---) | (--- / ---) | (--- / ----) |

Table 44: Gross weight of goods transported to/from the Freeport of Ventspils (with Sweden only, Source: Eurostat)

According to Eurostat, the gross weight of goods transported to/from the Freeport of Ventspils has not changed significantly, however, since [2015] there was a moderate increase (Table 44). Generally, the rise was experienced in such sectors as liquid bulk goods and dry bulk goods.

An even bigger rise of several indicators was fixed since the year [2010]. Totally, the gross weight grew by [38%], but for inwards and outwards, respectively – [71%] and [29%].

| 1000 t | Latvia | Ventspils | Riga | Liepaja |
|--|--------------------|--------------------|--------------------|--------------------|
| Total / inwards / outwards | 0% (67% / -6%) | -18% (75% / -24%) | 5% (75% / -2%) | 62% (15% / 70%) |
| Liquid bulk goods | -30% (170% / -41%) | -25% (185% / -36%) | -43% (171% / -56%) | -2% (-97% / 5%) |
| Dry bulk goods | 25% (86% / 21%) | -7% (-40% / -6%) | 20% (149% / 13%) | 197% (16% / 248%) |
| Large containers | 50% (-1% / 104%) | ---- | 49% (-2% / 102%) | 100% (20% / 500%) |
| Ro-Ro mobile self-propelled units | -3% (-7% / -1%) | 0% (-7% / 4%) | -85% (-99% / -79%) | 111% (104% / 115%) |
| Ro-Ro mobile non-self-propelled units | 67% (-13% / 184%) | 36% (-32% / 139%) | 94% (-30% / 245%) | 500% (383% / 733%) |
| Other cargo | -29% (102% / -36%) | -30% (130% / -38%) | -2% (209% / -13%) | -73% (-63% / -73%) |

Table 45: The changes in cargo in Latvia and in Latvian ports from 2010 till 2019 (all trading partners, Source: Eurostat)

Since the year [2010] the volume of cargo in all the biggest Latvian ports in almost all the kinds of cargo has declined (Table 45). Moreover, the fall has been determined in both cases: in the case of cargoes received and in the case of cargoes shipped out.

| 1000 t | Latvia | Ventspils | Riga | Liepaja |
|--|--------------------|---------------------|--------------------|-------------------|
| Total / inwards / outwards | -15% (75% / -23%) | 27% (64% / 18%) | -42% (150% / -47%) | 72% (-46% / 82%) |
| Liquid bulk goods | -61% (-87% / -61%) | 22% (--- / 28%) | -79% (-50% / -79%) | --- (--- / ---) |
| Dry bulk goods | 32% (281% / 25%) | 37% (--- / 38%) | -11% (631% / -21%) | 445% (5% / 538%) |
| Large containers | 4% (700% / -33%) | --- (--- / ---) | 3% (700% / -34%) | --- (--- / ---) |
| Ro-Ro mobile self-propelled units | 42% (32% / 48%) | 61% (58% / 63%) | -62% (-86% / -42%) | --- (--- / ---) |
| Ro-Ro mobile non-self-propelled units | 263% (100% / 430%) | 262% (127% / 410%) | 252% (36% / 485%) | --- (--- / ---) |
| Other cargo | -50% (118% / -52%) | -62% (1100% / -68%) | -48% (--- / -49%) | -43% (--- / -40%) |

Table 46: The changes in cargo in Latvia and in Latvian ports from 2010 till 2019 (with Sweden only, Source: Eurostat)

Since [2010], the volume in some of the sectors has been raised and in some – have been declined (Table 46). For instance, the amount of dry bulk goods, large containers, and ro-ro cargo in most of the ports and cases have raised.

However, it is significant to note that the volume of several kinds of cargo has declined only in individual ports. For instance, the number of liquid bulk goods in nine years declined in Riga and in Latvia overall but increased in Ventspils. At the

same time, the volume of ro-ro mobile self-propelled units decreased in the Freeport of Riga but raised in Ventspils and overall in Latvia.

Comparing the data for all trading partners, it can be seen that the decline in trade for Sweden in several sections is smaller. In particular, this trend is observed in the Freeport of Ventspils. The amount of trade with Sweden has raised in Ventspils in almost all the kinds of cargo, but the amount of trade with all the trading parts – has declined.

| 1000 t | Poland | Gdansk | Gdynia | Police | Swinoujscie | Szczecin |
|--|-----------------------|-----------------------|----------------------|---------------------|--------------------|-------------------|
| Total / inwards / outwards | 57% (120% / -1%) | 72% (244% / -23%) | 66% (57% / 82%) | -9% (5% / -58%) | 49% (64% / 28%) | 20% (75% / -30%) |
| Liquid bulk goods | 45% (235% / -56%) | 22% (235% / -73%) | 79% (94% / 25%) | 222% (250% / 0%) | 344% (1893% / 87%) | 65% (69% / 56%) |
| Dry bulk goods | 22% (71% / -36%) | 64% (217% / -46%) | 38% (51% / 20%) | -13% (0% / -61%) | -15% (7% / -67%) | -1% (63% / -45%) |
| Large containers | 195% (172% / 220%) | 291% (337% / 253%) | 108% (45% / 196%) | ---- | ---- | 20% (10% / 33%) |
| Ro-Ro mobile self-propelled units | 62% (50% / 77%) | -14% (-12% / -19%) | 50% (48% / 53%) | ----- | 73% (57% / 91%) | 150% (50% / ---) |
| Ro-Ro mobile non-self-propelled units | 7% (-13% / 37%) | 607% (640% / 520%) | 47% (13% / 120%) | ---- | -53% (-65% / -40%) | 100% (--- / 0%) |
| Other cargo | 53% (98% / 9%) | 18% (269% / -19%) | 92% (112% / 63%) | ---- | 7% (-42% / 233%) | 63% (127% / -10%) |

Table 47: The changes in cargo in Poland and in Polish ports from 2010 till 2019 (all trading partners, Source: Eurostat)

Since the year 2010, the number of all kinds of cargo increased in the port of Gdynia (Table 47). Most of the numbers in all the other ports and in Poland overall increased, as well.

| 1000 t | Poland | Gdansk | Gdynia | Police | Swinoujscie | Szczecin |
|--|---------------------------|---------------------------|--------------------------|-------------------|---------------------------|---------------------------|
| Total / inwards / outwards | 37% (46% / 28%) | -45% (9% / -59%) | 105% (112% / 96%) | 260% (--- / 220%) | 58% (39% / 79%) | -14% (-13% / -15%) |
| Liquid bulk goods | -65% (-4% / -76%) | -68% (108% / -76%) | 0% (-50%; - --) | --- (--- / ---) | --- (--- / ---) | -46% (-46% / ----) |
| Dry bulk goods | -34% (-37% / -32%) | -65% (-79% / -52%) | -14% (-35% / 15%) | 260% (--- / 220%) | 106% (-94% / -- --) | -35% (-2% / -56%) |
| Large containers | --- | 2300% (--- / ----) | 5155% (--- / 618%) | --- (--- / ---) | --- (--- / ---) | 1300% (--- / ----) |
| Ro-Ro mobile self-propelled units | 64% (53% / 78%) | -8% (2% / -22%) | 55% (55% / 55%) | --- (--- / ---) | 73% (57% / 92%) | --- (--- / ----) |
| Ro-Ro mobile non-self-propelled units | 9% (-13% / 31%) | 607% (640% / 520%) | 515% (613% / 454%) | --- (--- / ---) | -52% (-65% / -36%) | --- (--- / ----) |
| Other cargo | 193% (-14% / 718%) | 640% (-40% / 3300%) | 344% (31% / 824%) | --- (--- / ---) | 20% (-69% / 4900%) | 209% (57% / 374%) |

Table 48: The changes in cargo in Poland and in Polish ports from 2010 till 2019 (with Sweden only, Source: Eurostat)

A quite similar picture is visible concerning the volume of trade with Sweden only (Table 48). There are moderate differences regarding the numbers of liquid bulk goods and dry bulk goods in Poland and Polish ports separately. In other words, the decline of liquid bulk goods and dry bulk goods in several Polish ports in trade with Sweden was sharper than in trade with all the trading parts.

| 1000 t | Lithuania | Klaipeda |
|--|-------------------|-------------------|
| Total / inwards / outwards | 38% (25% / 47%) | 48% (53% / 47%) |
| Liquid bulk goods | 6% (30% / -17%) | 6% (690% / -17%) |
| Dry bulk goods | 76% (19% / 91%) | 76% (19% / 91%) |
| Large containers | 130% (56% / 230%) | 130% (56% / 230%) |
| Ro-Ro mobile self-propelled units | 33% (11% / 53%) | 33% (11% / 53%) |
| Ro-Ro mobile non-self-propelled units | 28% (-12% / 87%) | 28% (-12% / 87%) |
| Other cargo | -9% (-42% / 5%) | -9% (-42% / 5%) |

Table 49: The changes in cargo in Lithuania and in a port of Klaipeda from 2010 till 2019 (all trading partners, Source: Eurostat)

Since [2010], almost all the numbers in trading with all the parts have increased (Table 49). In several cases, the rise of cargo has reached even 230%.

| 1000 t | Lithuania | Klaipeda |
|--|-----------|----------|
| Total | 5% | 5% |
| Liquid bulk goods | -70% | -70% |
| Dry bulk goods | 5% | 5% |
| Large containers | --- | --- |
| Ro-Ro mobile self-propelled units | 56% | 56% |
| Ro-Ro mobile non-self-propelled units | 85% | 85% |
| Other cargo | -34% | -34% |

Table 50: The changes in cargo in Lithuania and in a port of Klaipeda from 2010 till 2019 (with Sweden only, Source: Eurostat)

The same picture has been registered in the numbers of trade with Sweden only (Table 50). There was a decline in cargo regarding the liquid bulk goods and other cargoes.

4.6. Conclusions

Sweden is one of the few countries importing from Belarus through Latvia at stable levels every year since [2015]. Moreover, Sweden is the main recipient of the transit cargo from Belarus through Latvia.

The main products imported to Sweden from Belarus were oil and chemical products, as well as wood products. Nevertheless, because the volume of oil cargo and chemical cargo is decreasing, the total volume of cargo is decreasing as well. However, the biggest part of the turnover from cargo exports between Sweden and Belarus was the export of cargo from Belarus: [16.88 mln EUR] from [23.51 mln. EUR] in [2019].

In turn, the trade from Sweden to Belarus mainly consisted of several commodity groups. The main one of them is machinery and mechanical appliances, especially, nuclear reactors, boilers.

Belarusian and Swedish import to Latvia reveals similar characteristics. In [2019], the backbone of Belarusian imports to Latvia was wood and wood products and to a lesser extent – mineral products, metals, and articles thereof. While the Swedish import to Latvia has not changed for years, including machines, mechanisms, and electrical equipment. Similarly to the fact, that the volume of export from Belarus to Sweden is higher than from Sweden to Belarus and the volume of export from Latvia to Sweden is higher than from Sweden to Latvia.

Despite the outgoing and potential political turmoil in Belarus and international politics, there are several ways how to increase and develop the economic cooperation between Latvia and Belarus, including the cargo volumes between the Freeport of Ventspils and Belarus. The most important thing: many Belarusian private enterprises are considering relocating to other countries. Thus, the Freeport of Ventspils should develop a plan on attracting these companies. One more thing that in this case characterises the connection between Latvia and Sweden as a promising and with growth potential is the *Stena Line*'s decision to continue the business in BSR.

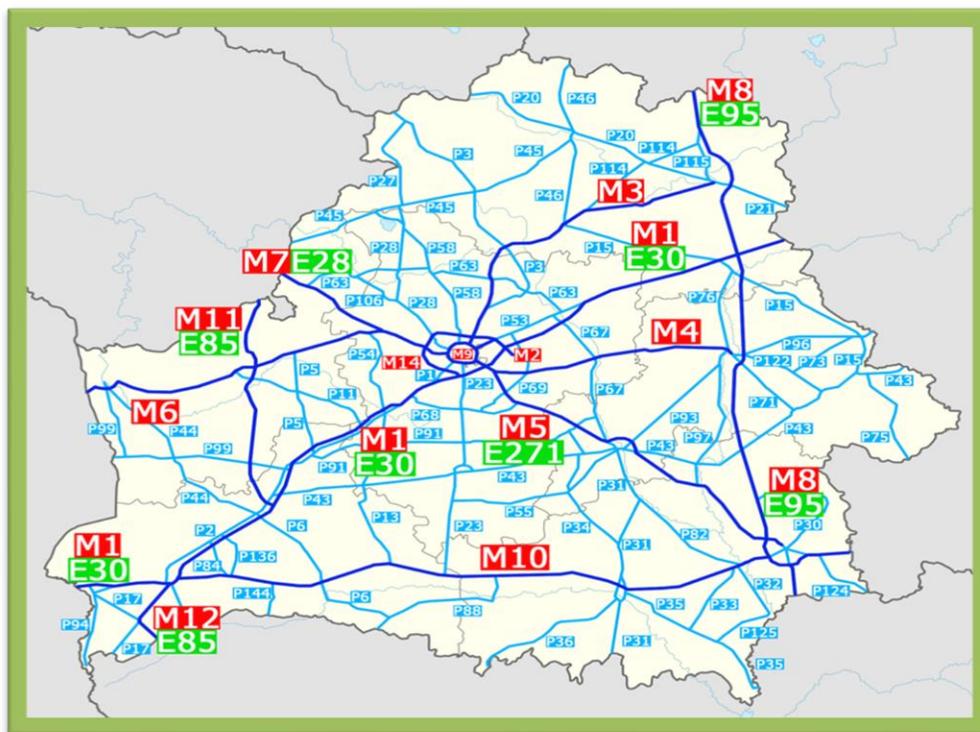
5. Infrastructure assessment along the Belarus-Latvia-Sweden Corridor

5.1. Road infrastructure

5.1.1. Road infrastructure in Belarus

Current situation

At the beginning of 2019, the road net in Belarus was 86 967 km (*Map 5*). Most of them are local roads that cover 71 038 km, state roads – 15 929 km.¹³⁹



Map 5: Belarusian road network¹⁴⁰

Belarus is crossed by two international roads: north-south and west-east [*Map 5*]. The road M-1/E-30 Brest-Minsk-the border with Russia is a part of the trans-European road Berlin-Warsaw-Minsk-Moscow-Nizhny Novgorod, connecting Germany, Poland, Belarus, and Russia. The part of this road in Belarus is 610 km long and intensity – 8500-10 000 cars per day. The second international road M-8/E-95 is the one that connects the Russian Federation – Vitebsk – Gomel – the border of Ukraine.

¹³⁹ Ministry of Transport and Communications of Belarus, The net of roads, https://www.mintrans.gov.by/ru/activity-roadmanagement-ctstructure-set_-ru/

¹⁴⁰ Map of Belarusian road system, Wikipedia, [Roads in Belarus - Wikipedia](https://en.wikipedia.org/wiki/Roads_in_Belarus)

This road connects Finland, Lithuania, Russia, Belarus, Ukraine, Moldova, Romania, Bulgaria, and Greece, and the territory of Belarus is 456 km long. The branch of this road connects Gomel-Minsk-Vilnius-Klaipeda-Kaliningrad (in Belarus 468 km) and ensures the flow of the cargo from Eastern Ukraine and Central Russia to the seaports in Klaipeda, Ventspils, and Kaliningrad.¹⁴¹

Future development

Belarus permanently works on the improvement of the roads, especially, international roads. The main attention is paid to safety and comfort.¹⁴²

5.1.2. Road infrastructure in Latvia

Current situation¹⁴³

The total length of roads and streets in Latvia contains 73 592 km (*Map 6*). Average road network density – 1.139 km per 1 km². Average state road network density – 0.312 km per 1 km².

¹⁴¹ Ministry of Transport and Communications of Belarus, International Transport Corridors, <https://www.mintrans.gov.by/ru/activity-roadmanagement-ctstructure-coridori-ru/>

¹⁴² Ibid

¹⁴³ Latvijas Valsts ceļi, Information about facts, <https://lvceļi.lv/en/information-and-facts/>



Map 6: Latvian road network¹⁴⁴

According to the laws and regulations of the Republic of Latvia, main roads are the roads that connect the state road network with the main road network of another country and the capital city with other cities in the country or city bypasses. The regional roads are the roads that link regional administrative centres together or connect with state cities or the capital city or main or regional roads or state cities together. And local roads are the roads that connect region administrative centres with region towns, populated areas that have a rural municipality administration, villages, or other state roads or link separate region administrative centres together.

Logistics centres

There are two border crossing points on roads between Latvia and Belarus (totally, there are seven border inspection points): in Paternieki and Silene. According to research conducted in 2013 and 2014, the main border inspection point where the

¹⁴⁴ Map of Latvian road system, Business Infrastructure in Latvia , <https://www.liaa.gov.lv/en/invest-latvia/business-guide/business-infrastructure-latvia>

goods were transported from Belarus to Latvia or from Latvia to Belarus was Paternieki. The main destinations of cargoes from Russia and Belarus were Lithuanian cities Vilnius and Kaunas and Latvian capital Riga.¹⁴⁵ In terms of transit, Russian and Belarusian cargoes go to the border inspection points in Medumi and Subate for entering Lithuania or the Freeport of Riga.¹⁴⁶ From 150 trucks, 24 went to or from the Freeport of Riga and two – to or from the port of Liepāja.

Most of these trucks usually have crossed the border point in Silene and then reached the Freeport of Riga. They mostly use the transport bases of *Maxima*, *Elvi*, and the Freeport of Ventspils.¹⁴⁷

Those cargoes going to the ports in Latvia or the city of Riga both from Russia and Belarus usually do not stop between the border and the destination because the distance is too short. Therefore for many (specific numbers have not been indicated) cargoes the logistics centres are in the Freeport of Riga. In one or couple cases, the logistics centres are located in centres belonging to well-known enterprises like *Maxima* (Kekavas parish, *Abras*¹⁴⁸), *SIA Kreiss* (Marupe, Berzlapas street 5¹⁴⁹), and *Rimi* (Riga, Plavnieki, Deglava street 161¹⁵⁰). In many cases, the drivers of the trucks who participated in the research, answered that their starting point in Latvia on their way back to Russia or Belarus was unspecified – some warehouse, storage, or factory.¹⁵¹ Thus it is believable that these trucks supplied the commodities to Latvia and Latvian companies and Latvian consumers.

¹⁴⁵ “Tranzīta kravu pārvadājumu ar autotransportu caur Latviju izpēte” (“Research of transit cargo transportation by road through Latvia”), P.50., BRD projekts, Rīga, 2014, <https://lvceli.lv/uncategorized/galvenie-tranzita-kravas-autotransporta-koridori-ir-grenctale-ainazi-un-terehova-rezekne-medumi/>

¹⁴⁶ Ibid

¹⁴⁷ Ibid

¹⁴⁸ „Maxima” atklāj modernizēto loģistikas centru, <https://www.maxima.lv/preses-relizes/korporativa-informacija/maxima-atklaj-modernizeto-logistikas-centru>, 15.07.2020.

¹⁴⁹ „Kreiss” (uzņēmuma mājas lapa), <https://www.kreiss.lv/lv>

¹⁵⁰ „Atklāts „Rimi Baltic” jaunais loģistikas centrs”, <https://www.rimi.lv/jaunumi/atklats-rimi-baltic-jaunais-logistikas-centrs>, 27.10.2020.

¹⁵¹ “Tranzīta kravu pārvadājumu ar autotransportu caur Latviju izpēte” (“Research of transit cargo transportation by road through Latvia”), P.54., BRD projekts, Rīga, 2014, <https://lvceli.lv/uncategorized/galvenie-tranzita-kravas-autotransporta-koridori-ir-grenctale-ainazi-un-terehova-rezekne-medumi/>

It is important to notice that transit from Belarus and Russia goes not only to Lithuania and then to Central or Western Europe but also to Estonia by using the border crossing point in Ainazi.¹⁵²

There are no indications that drivers, including all the border crossing points around Latvia, used any logistic centres between Riga and Ventspils.

Moreover, within the framework of the study, when asked which places are the most suitable for parking, the drivers noted the territory around Riga and Paternieki, but not Ventspils or the surrounding area.

In general, the two most important transport corridors in Latvia are Grenctale-Ainazi and Terehova-Rezekne-Medumi. Therefore the road transport is not the main one that connects the Freeport of Ventspils with Belarus.

| Location | Route (if mentioned) | Number of drivers |
|--------------------|--|-------------------|
| Riga | Bypass on the E67 route between the A7-A2 motorway connections | 886 |
| Bauska – Grenctale | | 659 |
| Terehova | | 129 |
| Jekabpils | | 106 |
| Daugavpils | Bypass on the E262 route between the A6-A13 motorways | 79 |
| Ainazi | | 74 |
| Rezekne | Bypass E262, on the A12 motorway | 46 |
| Grebneva | | 43 |
| Paternieki | | 37 |
| Medumi | | 24 |

Table 51: The survey: Drivers' views on the creation of potential new truck parks¹⁵³

Within the framework of the research done by BRD project *Research of transit cargo transportation by road through Latvia* (Table 51), the logistics centres are rarely mentioned. Usually, the drivers indicate the bases of supermarket chains, including *Maxima*, *Rimi*, and *Elvi* as logistics centres. Only in several cases the bases and centres of truck companies and logistics companies in Riga and around Riga, Daugavpils, and Rezekne are named logistics centres.

¹⁵² “Tranzīta kravu pārvadājumu ar autotransportu caur Latviju izpēte” (“Research of transit cargo transportation by road through Latvia”), P.54., BRD projekts, Rīga, 2014, <https://lvceli.lv/uncategorized/galvenie-tranzita-kravas-autotransporta-koridori-ir-grenctale-ainazi-un-terehova-rezekne-medumi/>

¹⁵³ Ibid

Regarding the Freeport of Ventspils, it is important to notice that the city is a part of one of the European transport hubs TEN-T. It means the opportunities to use the services of the sea, road, rail and air traffic. Ventspils is also connected with the oil pipeline system Polotsk - Ventspils. Thus, the city is connected with the Baltic States and CIS countries by railway, and is a part of the East-West railway corridor, linking Europe and Asia. Moreover, Ventspils is part of the highway UK-the Netherlands-Germany-Sweden / Norrköping-Ventspils-Riga-Russia. And, finally, there is an airport in Ventspils, specialising in general aviation flight services.¹⁵⁴

Future development

Until 2023 it is planned to finalise the construction and building of the Kekava bypass. Therefore there will be the new section of road A7 Riga-Bauska-the border of Lithuania (Grenctale) from km 7 to km 25 and it will be a part of the international road E67 *Via Baltica* (Helsinki-Tallinn-Riga-Panevežys-Kaunas-Warsaw-Prague). It is planned that it will be the most efficient road connection between Riga and Lithuania, and all of Europe.¹⁵⁵

5.1.3. Road infrastructure in Lithuania

Current situation

According to the statistics provided by the Ministry of Transport and communication of Lithuania, the total length of the road network is equal to 84 000 km. All the roads are divided into national, local, and urban roads¹⁵⁶.

¹⁵⁴ Transporta savienojumi. Ventspils osta, <https://www.portofventsipils.lv/lv/par-ostu/transporta-savienojumi/>

¹⁵⁵ PPP project „Kekava Bypass” /About project, VAS Latvijas Valsts celi, <https://lvceli.lv/en/projects/#kekava-bypass-ppp-project>

¹⁵⁶ Ministry of Transport of Communications of Lithuania, About the sector (about the road sector), <https://sumin.lrv.lt/en/sector-activities/roads-and-road-transport-1/about-the-sector>



Map 7: Lithuanian road network¹⁵⁷

The total length of the road network of national significance is 21 249 km [Map 7]. Most of these roads are regional roads (14 574 km), however, national roads and main roads cover 4926 km and 1750 km, respectively. Also, E category roads contain 1639 km and including motorways – 309 km. Local roads and streets cover 63 684 km.

Six main Lithuanian roads have been included in the E-network of Europe. Including 1) E-67 *Via Baltica* Helsinki–Tallinn–Riga–Panevėžys–Kaunas–Warsaw–Wrocław–Krakow–Prague; 2) E-28 Berlin–Gdansk–Kaliningrad–Marijampolė–Prienai–Vilnius–Minsk; 3) E-77 Pskov–Riga–Šiauliai–Kaliningrad–Warsaw–Krakow–Budapest; 4) E-85 Klaipėda–Kaunas–Vilnius–Lyda–Tchernovcy–Bucuresti–Alexandroupoli; 5) E-262 Kaunas–Utena–Daugavpils–Rezekne–Ostrov; 6) E-272 Vilnius–Panevėžys–Šiauliai–Palanga–Klaipėda.

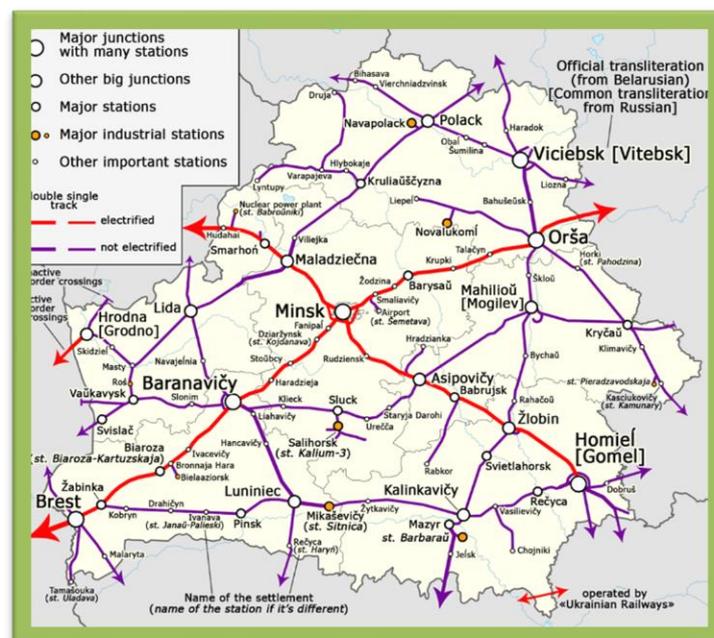
¹⁵⁷ Map of Lithuanian road system. Ministry of Transport and Communications of the Republic of Lithuania, <https://sumin.lrv.lt/en/sector-activities/roads-and-road-transport-1/about-the-sector>

Also, two international European transport corridors cross Lithuania. The first one is the North-South direction: the corridor No. I – the motorway „Via Baltica” and the railway line *Rail Baltica*, on the route Tallinn–Riga–Saločiai–Panevėžys–Kaunas–Kalvarija–Warsaw, and its branch No. IA (Tallinn–Riga–Šiauliai–Tauragė–Kaliningrad). The second one is in the East-West direction: the branch IXB (Kyiv–Minsk–Vilnius–Klaipėda) and the branch IXD (Kaunas–Kaliningrad) of the corridor No. IX.

5.2. The analysis of the railways along the entire Corridor

5.2.1. Railways infrastructure in Belarus

The advantageous geopolitical location of the Republic of Belarus at the meeting point of international transport corridors determined the role of its railway as one of the most important links in the provision of trade and economic relations between the European Union and the Asia-Pacific region [Map 8].



Map 8: Belarusian railway network ¹⁵⁸

Today, the state association BZD covers a modern transport system using a well-developed rail network with an overall length of 5500 kilometres, and almost

¹⁵⁸ Map of BR, <http://commons.wikimedia.org>, https://commons.wikimedia.org/wiki/User:Homoatrox#/media/File:Map_of_railways_in_Belarus.png

900 kilometres from them are electrified. The total length of single-track sections is 3900 kilometres and double-track sections cover 1600 kilometres. Transportation is carried out by trains with a weight of up to 7000 tons and an overall length of up to 1500 meters.

Freight traffic is essential for the railway complex in Belarus, covering over a third of the total traffic. The main transit cargo is coal [49%], oil cargo [24%], fertilizers [5%] and ferrous metals [5%]. At present, about 90% of all transit goods through the territory of the republic are carried at a fixed tariff. The rate level makes a constant transport component in the price of goods and increases their competitiveness in foreign markets. The largest volume of transit traffic is carried in the direction of Russia, Latvia, Lithuania, Poland, and Ukraine.

The high-speed container trains *Viking* and *ZUBR*, operated by a cooperation between the Belarusian railway, the Ukrainian railway, and the Baltic railways, form an important link between the Baltic Sea and the Black Sea regions. The Belarusian railway continuously works on a comprehensive analysis and studies new perspectives on international freight transportations, while monitoring the development of the current situation.

One of the key aspects of improving the transit efficiency of Belarus is optimising control of goods movement across the customs border and speeding up customs procedures. Together with The State Customs Committee, the Belarusian Railway is involved in the realization of simplifying custom formalities by rail transportation. The custom procedures are carried out by using modern information technologies, including the use of digital signature.

Each year about 180 km-190 km of railway paths are being renewed, another average of 350 km-400 km is repaired and about 400 switches are replaced.

5.2.2. Railway infrastructure in Latvia

The length of the railway network reaches 1860 km (*Map 9*). The number of diesel locomotives reaches 194 and the number of freight wagons – 5692.

the line will cross Latvia through Valka-Riga and along Salaspils, Riga, airport, and through the Zemgale region to Lithuania.¹⁶² Therefore the line will cover the territories where railway does not exist at this moment, for instance, Riga International Airport. Also, one must remember that during the realisation of the *Rail Baltica* the infrastructure of the railways will be developed and renewed.¹⁶³

5.2.3. Railway infrastructure in Lithuania

The total length of the railway network covers 1868.8 km (including 1520 mm track- 1745.8 km and 1435 mm track – 123 km). LG has connections with Latvia, Russia, Belarus, and through Poland with West European countries [Map 10].



Map 10: Lithuanian railway system¹⁶⁴

Because of the geographical situation, there are two European transport corridors: North-South direction Tallinn-Riga-Kaunas-Warsaw with its branch IA Siauliai-

¹⁶² „Rail Baltica” trase Latvijā, EDZL, <https://edzl.lv/projekta-norise/kartes>

¹⁶³ Sliežu ceļu atjaunošana „Rail Baltica” koridorā Latvijā, <https://www.ldz.lv/content/slize%20ce%20atjauno%20koridor%20latvij%20>

¹⁶⁴ Map of Lithuanian railway system, Litauische Eisenbahn, Hochleistungsgüterbahn im Baltikum, Erfahrungsbericht von Rico Metschke [Eisenbahnen Baltikum.pdf \(b-tu.de\)](#), P.12.

Kaliningrad-Gdansk, and the branches IXB Kyiv-Minsk-Vilnius-Kaunas-Klaipeda and IXD Kaunas-Kaliningrad of the East-West.¹⁶⁵

The priority of the modernisation and development of the Lithuanian railway is given to the renovation and modernisation of the railway sector infrastructure on the international transport corridors. More precisely, the attention is given to ensure the technical interoperability of Lithuanian railways with the European railways to meet the contemporary requirements. Priorities of short terms are the modernisation of Trans-European railway lines, renovation of signal and electricity supply systems, reconstruction of Trans-European railways.

5.3. Conclusions

Belarus is at the crossroads of transitways between the Baltics and the Black Sea, and Western Europe, and Russia, and even Far East Russia. Moreover, these connections exist both in the form of railway and road transport. The Baltic States are connecting Eastern Europe, Russia, on the one hand, and Scandinavia and Western Europe, on the other hand.

In Latvia, the Belarusian cargo – export and transit – are coming through two border inspection points, Paternieki and Silene. In most cases, because of the relatively short distance, trucks with Belarusian cargo do not stop on the way from the border to the destination – either one of the Latvian ports or the transport bases of large companies.

Latvia and Lithuania and their ports have different kinds of connections with Belarus. While the link between the port of Klaipeda and Belarus is ensured by the highly developed road infrastructure. On the other hand, the link between the port of Ventspils and Belarus is ensured not only by road transport and trucks but also by the railway infrastructure. However, one should keep in mind that connection with the port of Klaipeda is more convenient for current Belarussian companies than with Latvian ports, including the Freeport of Ventspils.

¹⁶⁵ Ministry of Transport and Communications of Lithuania, About the sector (About the Lithuanian Railway network), <https://sumin.lrv.lt/en/sector-activities/railway-transport-1/about-the-sector-1>

6. The cargo traffic on the route Ventspils – Nynäshamn

6.1. Traffic intensity on the highways to Ventspils

Statistics show that from [2015] to [2019] the traffic intensity on the highway Riga-Ventspils has risen in all the sections of the road [Table 52]. Characteristic that traffic is more intense in the sections closer to Riga and Ventspils. For instance, in [2019], the traffic near Riga could reach even more than 48 500 cars per hour. In comparison, in [2015] this indicator was more than 40 700 cars per hour (around -16.09% in comparison with the year [2019]). Also, around the Ventspils – in [2019] the number of cars per hour reached 3860 (however, the record was reached in [2018] – 3889 people).

| | | From kilometres | To kilometres | 2019 | 2018 | 2017 | 2016 | 2015 | |
|-------------|---------------------|--------------------|------------------|---------|--------|--------|--------|--------|--------|
| A-10 | Riga – Ventspils | 13'450 | 15'368 | 48'540 | 48'178 | 45'238 | 43'326 | 40'764 | |
| | | | 15'368 | 19'490 | 41'316 | 41'354 | 38'311 | 37'105 | 36'461 |
| | | | 19'490 | 38'160 | 12'994 | 13'346 | 11'458 | 11'164 | 12'226 |
| | | | 38'160 | 44'651 | 11'404 | 10'789 | 10'546 | 10'203 | 10'872 |
| | | | 44'651 | 62'888 | 8700 | 8730 | 7474 | 7725 | 7973 |
| | | | 62'888 | 80'251 | 5233 | 5202 | 4792 | 4887 | 5145 |
| | | | 80'251 | 91'424 | 6353 | 6490 | 6464 | 6303 | 6103 |
| | | | 91'424 | 113'769 | 5049 | 5328 | 4934 | 4700 | 4618 |
| | | | 113'769 | 151'040 | 3020 | 3037 | 3009 | 2977 | 2813 |
| | | | 151'040 | 181'405 | 2688 | 2713 | 2707 | 2627 | 2537 |
| | 181'405 | 183'131 | 3860 | 3889 | 3832 | 3596 | 3561 | | |

Table 52: Traffic intensity on the road A-10 Riga-Ventspils. Number of the cars in a day¹⁶⁶

The number of trucks on the road Riga-Ventspils (between 181-183 km) and Ventspils-Kuldiga/Saldus has changed between [2009] and [2019] [Tables 53 and 54]. In both cases, the proportion of the trucks has not changed significantly but the differences have been noticed when comparing different years.

¹⁶⁶ Traffic intensity on the road A-10 Riga-Ventspils, VAS Latvijas Valsts ceļi, <https://lvceļi.lv/ceļutiks/statistikas-dati/satiksmes-intensitate/>

Riga - Ventspils (181-183 km) 2019 2018 2017 2016 2015 2014 2013 2012 2011 2010 2009

| | | | | | | | | | | | |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total cars per day | 3 860 | 3 889 | 3 832 | 3 596 | 3 561 | 3 338 | 3 346 | 3 268 | 3 207 | 3 400 | 3 263 |
| Cargo % | 17 | 18 | 20 | 18 | 18 | 20 | 17 | 18 | 20 | 18 | 17 |
| Trucks per day | 669 | 700 | 766 | 647 | 643 | 668 | 569 | 588 | 641 | 606 | 552 |

Table 53: The average number of trucks per day on the high-way „Riga-Ventspils” between kilometers 181 and 183¹⁶⁷

Ventspils-Kuldiga- Saldus (4-13 km) 2019 2018 2017 2016 2015 2014 2013 2012 2011 2010 2009

| | | | | | | | | | | | |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total cars per day | 2 953 | 3 607 | 3 186 | 3 042 | 3 047 | 2 895 | 2 753 | 2 694 | 2 712 | 2 747 | 2 678 |
| Cargo % | 17 | 15 | 16 | 16 | 11 | 16 | 16 | 16 | 14 | 7 | 8 |
| Trucks per day | 502 | 523 | 506 | 487 | 335 | 463 | 440 | 431 | 380 | 192 | 214 |

Table 54: The average number of trucks per day on the regional road „Ventspils – Kuldiga/Saldus” between kilometers 4 and 13¹⁶⁸

From [2016] till [2019] the number of the registered trucks, including tractors, and cars has gradually grown [Tables 55 and 56]. The opposite trend has been noticed pertaining to the number of busses and motorcycles. Quite similar tendencies have been observed in the city of Ventspils – the number of trucks, including tractors, and cars has increased, but the number of buses and, specifically, *Ventspils Reiss* has grown minimally or has not changed at all, respectively.

| Year | Trucks (including tractors) | Cars | Buses | Motorcycles |
|------|-----------------------------|---------|-------|-------------|
| 2016 | 84 067 | 664 177 | 4 696 | 20 329 |
| 2017 | 87 143 | 689 536 | 4 701 | 22 166 |
| 2018 | 89 211 | 707 841 | 4 632 | 23 713 |
| 2019 | 91 311 | 727 164 | 4 549 | 26 785 |

Table 55: Number of registered vehicles at the end of the year in Latvia. CSB¹⁶⁹

| Year | Trucks (including tractors) | Cars | Buses | Ventspils Reiss buses |
|------|-----------------------------|--------|-------|-------------------------------|
| 2016 | 1 263 | 11 871 | 91 | 32 (4 buses and 28 minibuses) |
| 2017 | 1 290 | 12 194 | 93 | 32 |
| 2018 | 1 283 | 12 513 | 94 | 32 |

Table 56: Number of registered vehicles at the end of the year in the city of Ventspils. Source:CSB¹⁷⁰

The load of the highway A10 Riga-Ventspils during the last three years has not changed significantly. In other words, in [2017] – the number of cars reached 1208, later – in [2018] and [2019] – 1213 and 1174, accordingly [Figure 20].

¹⁶⁷ Noord Natie Ventspils Terminal data

¹⁶⁸ Ibid

¹⁶⁹ Ibid

¹⁷⁰ Ibid

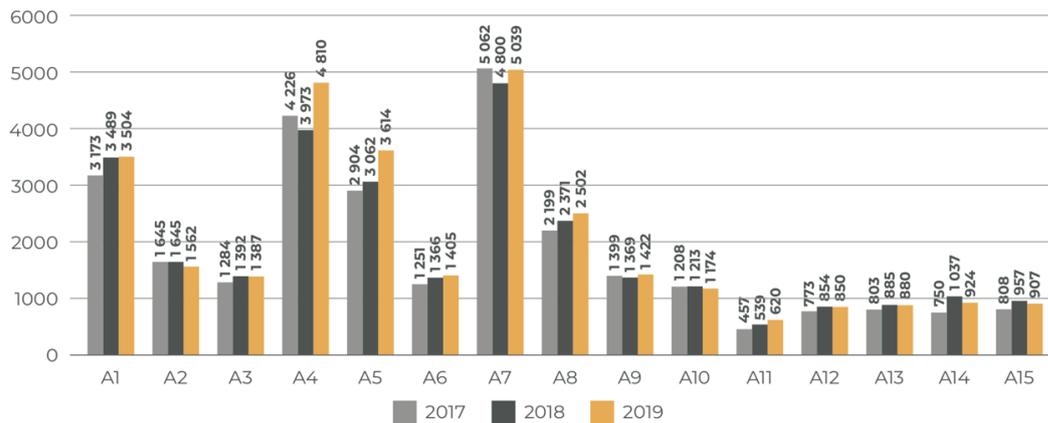


Figure 20: Changes in road loading on state main roads¹⁷¹

During the last five years, the volume of cargo traffic has not changed a lot. There was a rise in the volume in [2018], however, in [2019] there was a decline [Tables 57 and 58]. The same tendency has been observed regarding cargo turnover. In other words, the differences between the turnover over these years were minimal.

| Year | Cargo traffic (thsd t) | Cargo turnover (mln tonne- kilometres) |
|------|------------------------|--|
| 2015 | 118'227 | 33'605 |
| 2016 | 111'220 | 30'111 |
| 2017 | 111'811 | 29'999 |
| 2018 | 125'977 | 32'871 |
| 2019 | 115'260 | 30'002 |

Table 57: Cargo traffic and cargo turnover by mode of cargo transport (total)¹⁷²

At the same time, it is observed that during [2015-2019] the volume of cargo traffic by railway has declined by around [25%]. However, the volumes of road transport and air transport cargo have experienced a moderate rise [Table 58].

| | Rail transport | Water transport | Road transport | Air transport |
|------|----------------|-----------------|----------------|---------------|
| 2015 | 55'645 | ... | 62'569 | 13 |
| 2016 | 47'819 | ... | 63'389 | 12 |
| 2017 | 43'785 | ... | 68'012 | 14 |
| 2018 | 49'260 | ... | 76'703 | 14 |
| 2019 | 41'489 | ... | 73'755 | 16 |

Table 58: Cargo traffic and cargo turnover by mode of transport¹⁷³

¹⁷¹ Changes in road loading on state main roads, VAS Latvijas Valsts ceļi, https://lvceli.lv/wp-content/uploads/2020/07/LVC_Statistika_2019.pdf

¹⁷² Cargo traffic and cargo turnover by mode of transport (total), Central Statistical Bureau of Latvia, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_ikgad/TRG200.px/table/table_ViewLayout1/

¹⁷³ Cargo traffic and cargo turnover by mode of transport (total), Central Statistical Bureau of Latvia, https://data.csb.gov.lv/pxweb/en/transp_tur/transp_tur_transp_kravas_ikgad/TRG200.px/table/table_ViewLayout1/

52 companies registered in Latvia, totally operate with at least 51 vehicle, including trucks and busses. Therefore, among the aforementioned, one can also find companies that manage public transport either within or between cities.

Three companies operate more than 200 vehicles: *SIA Dinotrans*, *SIA Kreiss*, and *SIA Vikotrans* – all are logistic companies that transport different commodities between or within the cities and countries.

For more detailed information about the transport companies licensed in Latvia that operate at least 51 vehicle see Appendix 3.¹⁷⁴

6.2. International logistics companies working in the Baltics

The most presented country among the biggest logistics companies by revenues is Germany [Table 59]. Among the countries from Central and Eastern Europe Lithuania is represented by *UAB Girteka*, which revented at EUR 780 million in 2018. This company is also the leader in Lithuania by the number of owned trucks. Another Lithuanian operator, whose number of trucks exceeds 1000 is *UAB Vlantana*.¹⁷⁵

| Rank | Company | Revenues (euro M, 2018) |
|------|--------------------------------------|-------------------------|
| 1 | DB Schenker Logistics (Germany) | 6 737 |
| 2 | DHL Freight (Germany) | 4 311 |
| 3 | FedEx/TNT (Netherlands) | 3 889 |
| 4 | DSV Road (Denmark) | 3 614 |
| 5 | Dachser European Logistics (Germany) | 3 497 |
| 6 | Kuehne + Nagel Overland (Germany) | 3 054 |
| 7 | XPO (United States) | 2 469 |
| 8 | Rhenus (Germany) | 2 150 |
| 9 | Geodis (France) | 2 177 |
| 10 | LKW Walter (Austria) | 2 117 |
| 11 | GEFCO Overland (France) | 1 773 |
| 12 | Nagel Group (Austria) | 1 200 |
| 13 | Hellmann Worldwide (Germany) | 994 |
| 14 | Ziegler Group (Germany) | 780 |
| 15 | Girteka (Lithuania) | 780 |
| 16 | Raben (Netherlands) | 766 |
| 17 | Cargoline (Germany) | 700 |
| 18 | H. Essers (Belgium) | 650 |
| 19 | Ewals Cargo Care (Netherlands) | 600 |
| 20 | Waberer's Optimum Solution (Germany) | 500 |
| - | NTG | 490 |

Table 59: Largest road logistics companies in Europe¹⁷⁶

¹⁷⁴ Noord Natie Ventspils Terminal data

¹⁷⁵ Ibid

¹⁷⁶ Ibid

Several international logistics companies are working throughout the Baltics. Most of them have the head companies in Germany, one in Denmark, and one in the Netherlands (*Table 60.*).

| <i>Head company</i> | Lithuania | Latvia | Estonia |
|---|----------------------------------|----------------------------------|---------------------------------|
| <i>DSV A/S (Denmark) office in more than 80 countries</i> | DSV Transport UAB | DSV Transport SIA | DSV Transport AS |
| <i>Deutsche Bahn AG (Germany) about 130 countries</i> | Schenker UAB | Schenker SIA | Schenker AS |
| <i>Rhenus SE & Co. KG (Germany) 43 countries</i> | Rhenus Svoris UAB | Rhenus Svoris SAS | Rhenus Logistics OU |
| <i>Raben Group (Netherlands) – 10 countries</i> | Raben Lietuva UAB | Raben Latvia SIA | Raben Eesti OU |
| <i>Deutsche Post DHL Group (Germany) – 220 countries</i> | DHL Lietuva UAB | DHL Latvia SIA | DHL Estonia AS |
| <i>Kuehne + Nagel Group (Germany) – 104 countries</i> | Kuehne + Nagel UAB | Kuehne + Nagel Latvia SIA | Kuehne + Nagel AS |
| <i>Hellmann Worldwide Logistics (Germany) – 157 countries</i> | Hellmann Worldwide Logistics UAB | Hellmann Worldwide Logistics SIA | Hellmann Worldwide Logistics OU |

Table 60: International transport companies in the Baltic States¹⁷⁷

According to data given by the Road Safety Directorate of Latvia, the total number of vignettes purchased by foreign companies and the number of vehicles has increased gradually year by year (*Table 61*). Therefore, the difference between the total number of vignettes purchased between 2015 and 2020 has more than doubled. However, it is worth noting that the number of registered vehicles in 2020 has decreased in 2019.

| <i>Year</i> | Total number of vignettes purchased | Number of vehicles |
|-------------|--|---------------------------|
| 2015 | 18 131 | 3381 |
| 2016 | 21 678 | 3437 |
| 2017 | 30 025 | 3944 |
| 2018 | 37 306 | 4367 |
| 2019 | 38 292 | 4524 |
| 2020 | 39 220 | 4444 |

Table 61: Number of vignettes purchased for the vehicles registered in Belarus from 2015 till 12.11.2020. (data given by Road Safety Directorate)

6.3 External transit through Latvia

The biggest part of the cargoes that goes through Latvia to or from CIS countries is connected with Russia [*Table 62*]. There is already less cooperation with Belarus and Ukraine (Ukraine and Turkmenistan are not the CIS countries) and even less with all the other CIS countries.

¹⁷⁷ Noord Natie Ventspils Terminal data

| <i>Country of dispatch code and name</i> | | Number of declarations | Total gross weight (t) | % of total gross transit weight |
|--|---------------------|-------------------------------|-------------------------------|--|
| <i>RU</i> | Russian Federation | 57 363 | 1 604 34,46 | 39,820 |
| <i>BY</i> | Belarus | 1 716 | 54 256,91 | 1,347 |
| <i>UA</i> | Ukraine | 1 889 | 45 683,77 | 1,134 |
| <i>KZ</i> | Kazakhstan | 1 370 | 21 517,69 | 0,534 |
| <i>UZ</i> | Uzbekistan | 702 | 14 012,00 | 0,348 |
| <i>TJ</i> | Tajikistan | 215 | 6 629,16 | 0,165 |
| <i>MD</i> | Republic of Moldova | 192 | 3 470,05 | 0,086 |
| <i>KG</i> | Kyrgyzstan | 57 | 1 234,67 | 0,031 |
| <i>AZ</i> | Azerbaijan | 55 | 928,73 | 0,023 |
| <i>AM</i> | Armenia | 29 | 218,84 | 0,005 |
| <i>TM</i> | Turkmenistan | 9 | 137,42 | 0,003 |
| <i>CIS countries, Ukraine and Turkmenistan, total</i> | | 63 597 | 1 752 436,78 | 43,496 |

Table 62: External transit to the CIS countries, Ukraine, and Turkmenistan in 2020 (in general). Transit declaration where the country of dispatch and destination is not Latvia. Source: Latvian Customs statistics¹⁷⁸

Similarly to the external transit to CIS countries, Ukraine and Turkmenistan in general, also the external transit from CIS countries mostly is covered by Russia [Table 63]. It alone covered more than 70% of the external transit done by CIS, Ukraine, and Turkmenistan.

| <i>Country of dispatch code and name</i> | | Number of declarations | Total gross weight (t) | % of total gross transit weight |
|---|---------------------|-------------------------------|-------------------------------|--|
| <i>RU</i> | Russian Federation | 79 457 | 2 776 627,68 | 68,917 |
| <i>BY</i> | Belarus | 9 777 | 247 085,80 | 6,133 |
| <i>UA</i> | Ukraine | 3 264 | 70 379,20 | 1,747 |
| <i>KZ</i> | Kazakhstan | 873 | 31 983,04 | 0,794 |
| <i>UZ</i> | Uzbekistan | 140 | 2605,81 | 0,065 |
| <i>MD</i> | Republic of Moldova | 52 | 606,97 | 0,015 |
| <i>KG</i> | Kyrgyzstan | 12 | 263,42 | 0,007 |
| <i>AM</i> | Armenia | 9 | 136 | 0,003 |
| <i>AZ</i> | Azerbaijan | 8 | 105,55 | 0,003 |
| <i>TJ</i> | Tajikistan | 4 | 86,50 | 0,002 |
| <i>TM</i> | Turkmenistan | 2 | 28,4 | 0,001 |
| <i>CIS countries, Ukraine and Turkmenistan total</i> | | 93 598 | 3 129 908,61 | 77,685 |

Table 63: External transit from the CIS countries, Ukraine, and Turkmenistan in 2020 (in general). Transit declaration where the country of dispatch and destination is not Latvia. Source: Latvian Customs statistics¹⁷⁹

¹⁷⁸ Noord Natie Ventspils Terminal data

¹⁷⁹ Ibid

Also, the external transit to the CIS countries, Ukraine and Turkmenistan by road transport is mainly covered by Russia. However, unlikely previous tables, here [Table 64] Ukraine shared a bigger part of the total volume than Belarus.

| <i>Country of dispatch code and name</i> | | <i>Number of declarations</i> | <i>Total gross weight (t)</i> |
|---|---------------------|-------------------------------|-------------------------------|
| <i>RU</i> | Russian Federation | 53 352 | 735 991,62 |
| <i>UA</i> | Ukraine | 1 656 | 30 288,74 |
| <i>BY</i> | Belarus | 1 557 | 25 890,38 |
| <i>KZ</i> | Kazakhstan | 1 230 | 17 670,37 |
| <i>UZ</i> | Uzbekistan | 442 | 7 064,53 |
| <i>MD</i> | Republic of Moldova | 192 | 3 470,05 |
| <i>TJ</i> | Tajikistan | 155 | 2 474,70 |
| <i>KG</i> | Kyrgyzstan | 48 | 951,47 |
| <i>AZ</i> | Azerbaijan | 55 | 928,73 |
| <i>AM</i> | Armenia | 29 | 218,84 |
| <i>TM</i> | Turkmenistan | 8 | 110,39 |
| <i>CIS countries, Ukraine and Turkmenistan total</i> | | 58 724 | 825 059,8 |

Table 64: External transit to the CIS countries, Ukraine, and Turkmenistan in 2020 (by road transport). Transit declaration where the country of dispatch and destination is not Latvia. Source: Latvian Customs statistics¹⁸⁰

Concerning external transit from the CIS countries, Ukraine and Turkmenistan by road transport, still Russia was playing a crucial role [Table 65]. After it, Belarus, Ukraine, Kazakhstan, and Uzbekistan.

| <i>Country of dispatch code and name</i> | | <i>Number of declarations</i> | <i>Total gross weight (t)</i> |
|---|---------------------|-------------------------------|-------------------------------|
| <i>RU</i> | Russian Federation | 69 952 | 1 151 618,475 |
| <i>BY</i> | Belarus | 8 422 | 168 611,233 |
| <i>UA</i> | Ukraine | 2 895 | 46 684,281 |
| <i>KZ</i> | Kazakhstan | 395 | 6 098,496 |
| <i>UZ</i> | Uzbekistan | 139 | 2 538,923 |
| <i>MD</i> | Republic of Moldova | 52 | 609,740 |
| <i>KG</i> | Kyrgyzstan | 11 | 193,824 |
| <i>AM</i> | Armenia | 9 | 136,005 |
| <i>AZ</i> | Azerbaijan | 8 | 105,555 |
| <i>TJ</i> | Tajikistan | 4 | 86,509 |
| <i>TM</i> | Turkmenistan | 2 | 28,404 |
| <i>CIS countries, Ukraine and Turkmenistan total</i> | | 81 889 | 1 376 708,68 |

Table 65: External transit from the CIS countries, Ukraine, and Turkmenistan by road 2020 (by road transport). Transit declaration where the country of dispatch and destination is not Latvia. Source: Latvian Customs statistics¹⁸¹

¹⁸⁰ Noord Natie Ventspils Terminal data

¹⁸¹ Ibid

6.4. The difference in numbers between the private transport and commercial transport sector in the Freeport of Ventspils

As [figure 21] shows, the number of cargo traffic or transport used for transporting the cargo is higher than the number of passenger traffic. The difference between those two in the direction from the Freeport of Ventspils to the port of Nynäshamn is even more visible.

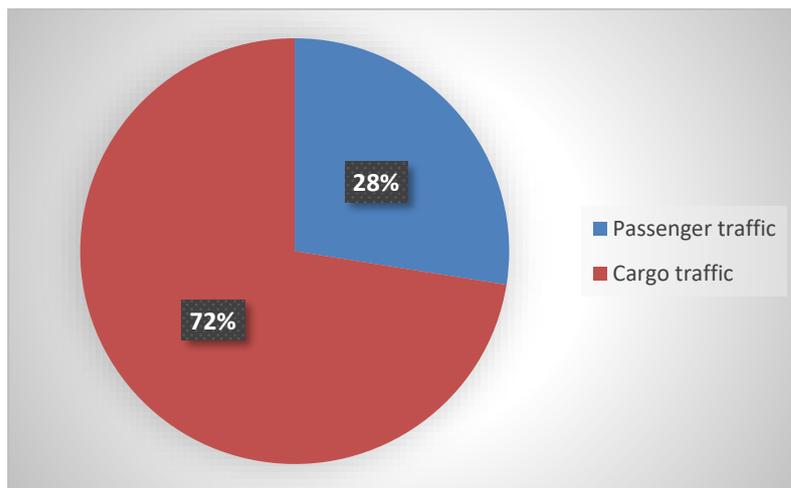


Figure 21: Types of Ro-Ro from the Freeport of Ventspils to the port of Nynäshamn. Average: (18.11.2019.-24.11.2019) , (09.12.2019.-15.12.2019) , (06.07.2020.-12.07.2020) , (24.08.2020.-30.08.2020)¹⁸²

The difference between cargo traffic and passenger traffic in the direction from the port of Nynäshamn to the Freeport of Ventspils is minimal [figure 22].

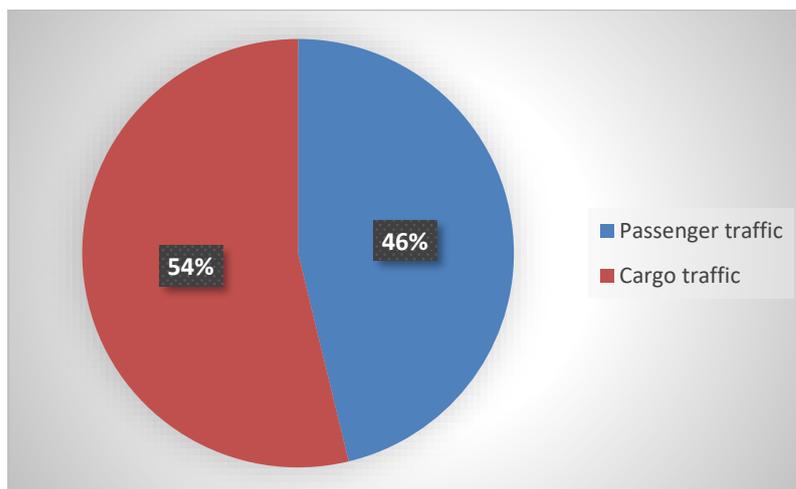


Figure 22: Types of Ro-Ro from the port of Nynäshamn to the Freeport of Ventspils. Average: (18.11.2019.-24.11.2019) , (09.12.2019.-15.12.2019) , (06.07.2020.-12.07.2020) , (24.08.2020.-30.08.2020)¹⁸³

¹⁸² Noord Natie Ventspils Terminal data

¹⁸³ *Ibid*

The traffic between the Freeport of Ventspils-the port of Nynäshamn is based on using tractors with semi-trailers [Tables 66-69]. Also, the number of cars is significant. These kind of tendencies were observed in both directions in all weeks stipulated in the tables below (data provided by *Noord Natie Terminal* in Ventspils).

| | | Cars | Small cargo, minibus | Truck | Tractor with semi-trailer | Truck with trailer | Trailer | Other type |
|-------------------------|----------------------------|-------------|----------------------|------------|---------------------------|--------------------|-------------|------------|
| 18.11.2019.-24.11.2019. | Weekly | 334 | 122 | 28 | 728 | 36 | 152 | 25 |
| | Monthly | 1336 | 488 | 112 | 2912 | 144 | 608 | 100 |
| 09.12.2019.-15.12.2019. | Weekly | 122 | 113 | 15 | 727 | 30 | 164 | 8 |
| | Monthly | 488 | 452 | 60 | 2908 | 120 | 656 | 32 |
| | Total in two months | 1824 | 940 | 172 | 5820 | 264 | 1264 | 132 |

Table 66: Transport from the Freeport of Ventspils to the port of Nynäshamn. Comparison 18.11.2019.-24.11.2019. and 09.12.2019.-15.12.2019.¹⁸⁴

| | | Cars | Small cargo, minibus | Truck | Tractor with semi-trailer | Truck with trailer | Trailer | Other type |
|-------------------------|----------------------------|-------------|----------------------|------------|---------------------------|--------------------|------------|------------|
| 18.11.2019.-24.11.2019. | Weekly | 397 | 141 | 24 | 554 | 37 | 49 | 2 |
| | Monthly | 1588 | 564 | 96 | 2216 | 148 | 196 | 8 |
| 09.12.2019.-15.12.2019. | Weekly | 777 | 121 | 16 | 463 | 31 | 64 | 2 |
| | Monthly | 3108 | 484 | 64 | 1852 | 124 | 256 | 8 |
| | Total in two months | 4696 | 1048 | 160 | 4068 | 272 | 452 | 16 |

Table 67: Transport from the port of Nynäshamn to the Freeport of Ventspils. Comparison 18.11.2019.-24.11.2019. and 09.12.2019.-15.12.2019.¹⁸⁵

| | | Cars | Small cargo, minibus | Truck | Tractor with semi-trailer | Truck with trailer | Trailer | Other type |
|-------------------------|----------------------------|-------------|----------------------|------------|---------------------------|--------------------|-------------|------------|
| 06.07.2020.-12.07.2020. | Weekly | 264 | 79 | 21 | 589 | 27 | 145 | 66 |
| | Monthly | 1056 | 316 | 84 | 2356 | 108 | 580 | 264 |
| 24.08.2020.-30.08.2020. | Weekly | 331 | 89 | 20 | 737 | 33 | 222 | 24 |
| | Monthly | 1324 | 356 | 80 | 2948 | 132 | 888 | 96 |
| | Total in two months | 2380 | 672 | 164 | 5304 | 240 | 1468 | 360 |

Table 68: Transport from the Freeport of Ventspils to the port of Nynäshamn. Comparison 06.07.2020.-12.07.2020. and 24.08.2020.-30.08.2020.¹⁸⁶

| | | Cars | Small cargo, minibus | Truck | Tractor with semi-trailer | Truck with trailer | Trailer | Other type |
|-------------------------|----------------------------|-------------|----------------------|------------|---------------------------|--------------------|------------|------------|
| 06.07.2020.-12.07.2020. | Weekly | 377 | 85 | 23 | 482 | 31 | 57 | 61 |
| | Monthly | 1508 | 340 | 92 | 1928 | 124 | 228 | 244 |
| 24.08.2020.-30.08.2020. | Weekly | 201 | 87 | 27 | 552 | 36 | 76 | 23 |
| | Monthly | 804 | 348 | 108 | 2208 | 144 | 304 | 92 |
| | Total in two months | 2312 | 688 | 200 | 4136 | 268 | 532 | 336 |

Table 69: Transport from the port of Nynäshamn to the Freeport of Ventspils. Comparison 06.07.2020.-12.07.2020. and 24.08.2020.-30.08.2020.¹⁸⁷

¹⁸⁴ Noord Natie Ventspils Terminal data

¹⁸⁵ Ibid

¹⁸⁶ Ibid

¹⁸⁷ Ibid

6.5. Types of cargo and commodities on the route Ventspils – Nynäshamn and Nynäshamn – Ventspils

Top types of cargo: Ventspils – Nynäshamn

Among the four weeks compared in the figures and tables herein, it is visible that metals, building materials, and furniture/removals were the most popular commodities transported from the Freeport of Ventspils to the port of Nynäshamn. However, also wood/timber is a highly transported material [Figure 23].

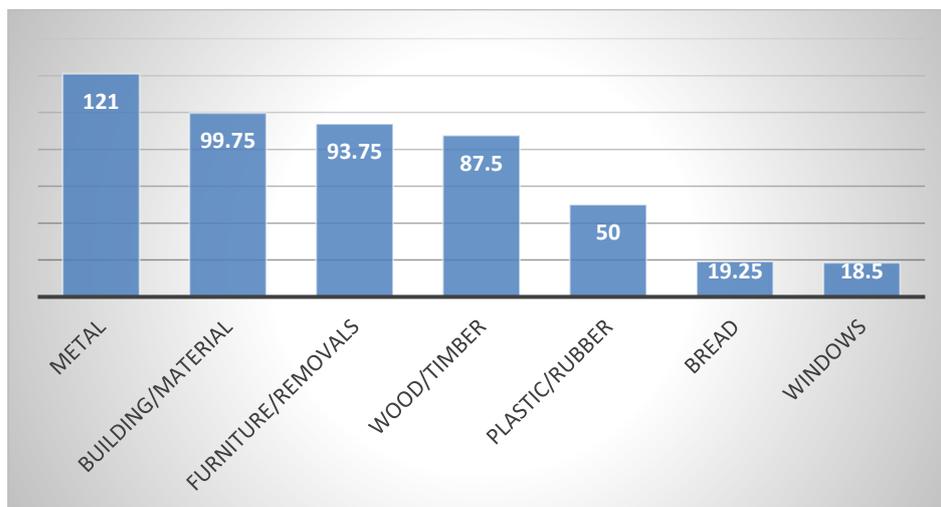


Figure 23: Top commodities from the Freeport of Ventspils to the port of Nynäshamn. Average : (18.11.2019.-24.11.2019) , (09.12.2019.-15.12.2019) , (06.07.2020.-12.07.2020) , (24.08.2020.-30.08.2020)¹⁸⁸

Top types of cargo: Nynäshamn – Ventspils

Fish, paper, and metal are among the most popular commodities sent from the port of Nynäshamn. The structure of the commodities is convincingly different from the one that characterises the flow of commodities going to Scandinavia from the Freeport of Ventspils [Figure 24].

¹⁸⁸ Noord Natie Ventspils Terminal data

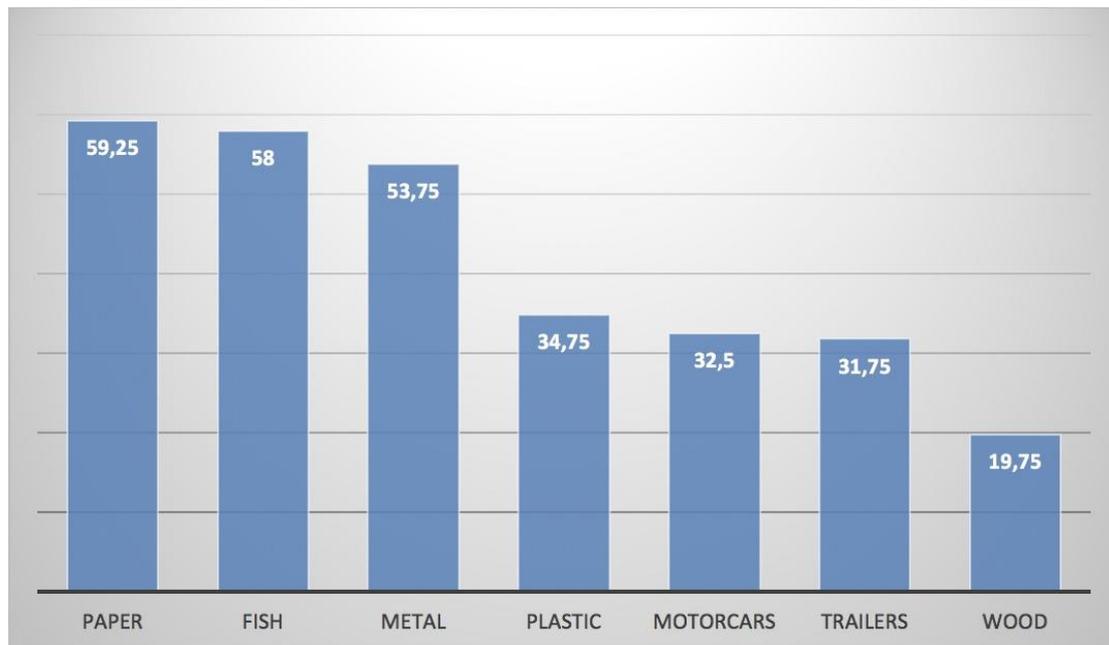


Figure 24: Top commodities from the port of Nynäshamn to the Freeport of Ventspils. Average: (18.11.2019.-24.11.2019), (09.12.2019.-15.12.2019), (06.07.2020.-12.07.2020), (24.08.2020.-30.08.2020)¹⁸⁹

Country of origin: Ventspils – Nynäshamn

Belarusian commodities are not among the countries that export a lot of commodities to the port of Nynäshamn through the Freeport of Ventspils [Figure 25]. In four weeks a total of 24 cargoes have been sent from Belarus to the port of Nynäshamn either to the Swedish or Norwegian market. Nevertheless, this number is significantly less than the number of commodities coming from Lithuania and Russia. Also, there are more commodities received from Russia than from Belarus.

¹⁸⁹ Noord Natie Ventspils Terminal data

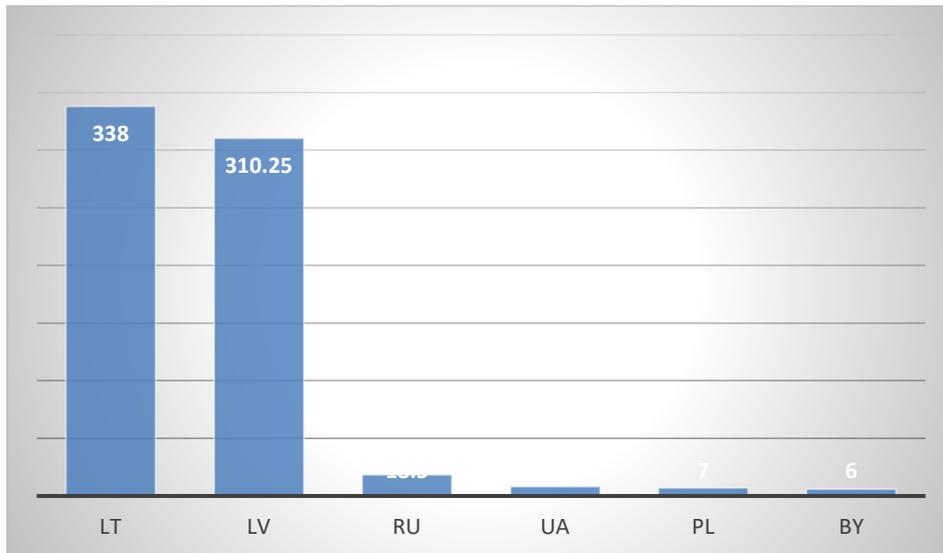


Figure 25: Country of origin. Transport from the Freeport of Ventspils to the port of Nynäshamn. Category: trucks. Average: (18.11.2019.-24.11.2019), (09.12.2019.-15.12.2019), (06.07.2020.-12.07.2020), (24.08.2020.-30.08.2020)¹⁹⁰

Destination country: Ventspils – Nynäshamn

Sweden and Norway are among the most popular destinations on the route Ventspils-Nynäshamn. In several cases, the commodities have been shipped to Denmark as well [Figure 26].

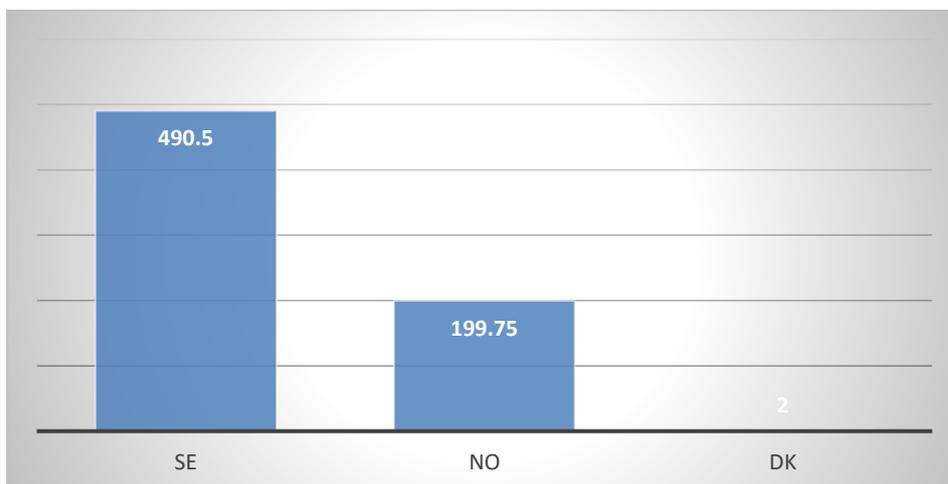


Figure 26: Destination country. Transport from the Freeport of Ventspils to the port of Nynäshamn. Category: trucks. Average: (18.11.2019.-24.11.2019), (09.12.2019.-15.12.2019), (06.07.2020.-12.07.2020), (24.08.2020.-30.08.2020)¹⁹¹

¹⁹⁰ Noord Natie Ventspils Terminal data

¹⁹¹ Ibid

Type of commodities: Ventspils – Nynäshamn

Assessing the volume of individual Belarusian goods transported to the port of Nynäshamn via Ventspils port, more than 20 types of commodities in four weeks [Table 70]. The most popular amongst them are furniture and building materials. Ten main types of commodities of Belarusian goods have been sent to the port of Nynäshamn.

| | Furniture/ removals | Building materials | Gate elements | Wood timber | Windows | Gates | Glass | Metal | Plastic ruber | Total |
|-----------------------------|------------------------|-----------------------|------------------|----------------|----------|----------|----------|----------|------------------|-----------|
| 18.11.2019.- 24.11.2019. | 4 | 1 | 1 | | | | | | | 6 |
| 09.12.2019.- 15.12.2019. | 2 | 1 | | 1 | 1 | 1 | 1 | | | 7 |
| 06.07.2020.- 12.07.2020. | 1 | 1 | | | | | | 2 | | 4 |
| 24.08.2020.- 30.08.2020. | 2 | 2 | | | 1 | | | | 2 | 7 |
| Total | 9 | 5 | 1 | 1 | 2 | 1 | 1 | 2 | 2 | 24 |

Table 70: Commodities sent from Belarus to the port of Nynäshamn through the Freeport of Ventspils¹⁹²

Country of origin: Nynäshamn – Ventspils

Almost all the commodities transported from the port of Nynäshamn to the Freeport of Ventspils have been produced in Sweden or Norway [Figure 27], and only a small number can be attributed to other countries.

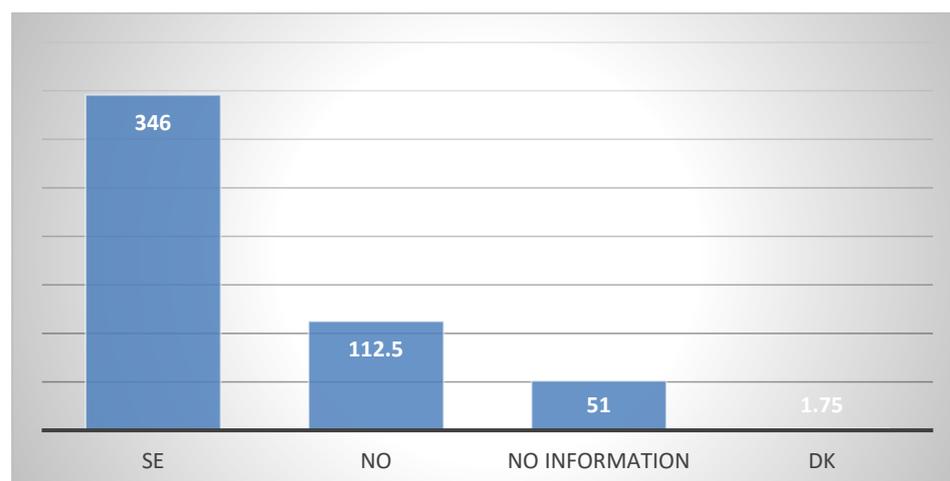


Figure 27: Country of origin. Transport from the port of Nynäshamn to the Freeport of Ventspils. Category: trucks. Average: (18.11.2019.-24.11.2019) , (09.12.2019.-15.12.2019) , (06.07.2020.-12.07.2020) , (24.08.2020.-30.08.2020)¹⁹³

¹⁹² Noord Natie Ventspils Terminal data

¹⁹³ Ibid

Destination country: Nynäshamn – Ventspils

After Latvia and Lithuania, as the most popular destination countries on the route Nynäshamn – Ventspils, the third one is Belarus. However, during the four covered weeks, Belarus has fallen behind the two aforementioned Baltic countries [Figure 28].

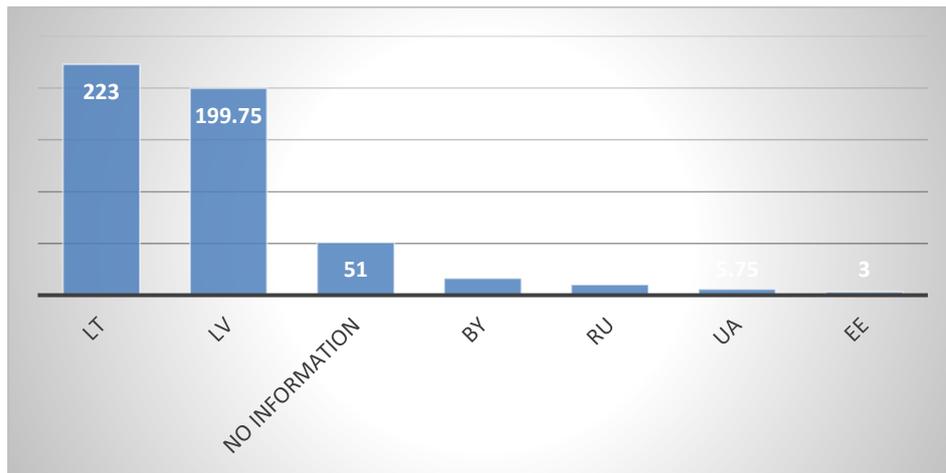


Figure 28: Destination country. Transport from the port of Nynäshamn to the Freeport of Ventspils. Category: trucks. Average : (18.11.2019.-24.11.2019) , (09.12.2019.-15.12.2019) , (06.07.2020.-12.07.2020) , (24.08.2020.-30.08.2020)¹⁹⁴

The type of commodities: Nynäshamn – Ventspils

Most of the goods sent from the port of Nynäshamn through the Freeport of Ventspils are fish and fish products. Around two-thirds of the transported commodities is fish. Among the others, one can stress the volume of sodium chlorate. In total, 10 groups of different goods have been mentioned by the data provided by *Noord Natie Terminal* [Table 71].

| | Fish | Paper | Sodium chlorate | Car parts | Dog food | Plastic rubber | Equipment | Metal | Motorcars | Total |
|-------------------------|-----------|----------|-----------------|-----------|----------|----------------|-----------|----------|-----------|-----------|
| 18.11.2019.-24.11.2019. | 20 | 1 | 7 | 1 | 1 | 1 | | | | 31 |
| 09.12.2019.-15.12.2019. | 12 | 1 | | | | | 1 | 1 | | 15 |
| 06.07.2020.-12.07.2020. | 7 | | | | | | | | | 7 |
| 24.08.2020.-30.08.2020. | 8 | | | | | | | 1 | 1 | 10 |
| Total | 47 | 2 | 7 | 1 | 1 | 1 | 1 | 2 | 1 | 63 |

Table 71: Commodities sent from the port of Nynäshamn to Belarus through the Freeport of Ventspils.¹⁹⁵

¹⁹⁴ Noord Natie Ventspils Terminal data

6.6. Conclusions

The Belarusian goods transported from the port of Nynäshamn to the Freeport of Ventspils and vice versa are different. If the most popular commodities in the direction of Nynäshamn are metals, furniture, and building materials, but vice versa – fish, paper, and metal.

Nevertheless, Belarusian commodities are not among the most popular goods sent to Ventspils, and Belarus is not the most popular destination in the direction of Nynäshamn.

Regarding the transit through the Freeport of Ventspils to Sweden, one must mention that most parts of the commodities are coming from Russia.

Typically, between Riga and Ventspils the busiest traffic is closer to Riga and Ventspils. However, the load of the highway A10 Riga-Ventspils during the last three years has not changed significantly.

There are three logistics companies in Latvia that operate more than 200 vehicles: *SIA Dinotrans*, *SIA Kreiss*, and *SIA Vikotrans*. Nevertheless, on the European level, the biggest logistics companies by revenues are coming from Germany, and among the countries from Central and Eastern Europe, only Lithuania is represented by *UAB Girteka*.

Data also are showing that between 2015 and 2020 the total number of vignettes purchased by foreign companies has more than doubled.

For external transit, through Latvia, the biggest part of the cargoes to or from CIS and other Eastern European and Central Asian countries is connected with Russia.

¹⁹⁵ Noord Natie Ventspils Terminal data

7. Freight village development in Ventspils

7.1. The review of the freight villages around Europe

Within this research, the freight villages are logistics centres, where the cargoes from different transport modes can be reloaded, compiled, and prepared for transportation. Therefore, the freight villages bring together different transport modes (road, rail), transport companies (forwarders, warehousing), supplementary transport services (vehicle, consultancy services, etc.) as well as industrial and trading companies.¹⁹⁶

Freight villages reflect a modern way of organising logistics, transport, and goods distribution activities. Warehouses are a basic element in such building complexes, and their efficient planning and operation are essential for the viability of the system.¹⁹⁷

The main function of the freight villages is the management of politically promoted combined transport and the shifting of cargo traffic from road to rail. These villages are characterised by the following features:

- Location of transport economical companies, logistic operators and industrial and trading companies on the same industrial estate.
- Access to at least two transport modes, in particular, road and rail.
- Management of the local freight village companies, which also initiate and facilitate cooperative activities.¹⁹⁸

The freight villages are called in different ways depending on the country. For instance, in Italy the „freight villages” are called *Interporti* [*Interports - English*], in Denmark – *Transport Centres*, in Germany – *Gunterverkehrscentren (GVZ)* [*Freight centres - English*] and in Spain – *Zonas de Actividades Logisticas* [*Logistics Activity*

¹⁹⁶ What is Freight Village? DGG, <https://www.gvz-org.de/en/freight-villages/>

¹⁹⁷ Ibid

¹⁹⁸ Ibid

Zones - English]. Behind each term is a different understanding of the logistics and freight villages.¹⁹⁹

The biggest freight villages are located outside of the Baltic Sea Region. For example, one can find several of them in Russia and Poland: freight villages *Vorsino* and *Rosva* in Kaluga Region²⁰⁰ and *CLIP Logistics* in Poznan²⁰¹, respectively.

Freight village *Vorsino* is located on the border of New Moscow and Kaluga Region as part of the Industrial Park *Vorsino*.²⁰² [Table 72] *Vorsino* provides access to shared facilities, equipment and performs management for long-term planning, investment, governance, and other issues. Besides freight village, *Vorsino* provides a railway terminal with a handling capacity of up to 350 000 TEU/year.

¹⁹⁹ Office Prime, „Freight villages: Some European Models”, <http://www.officeprime.eu/2017/02/18/freight-villages/>

²⁰⁰ Freight Village RU, <http://freightvillage.ru/>

²⁰¹ „CLIP Logistics”, <http://clip-group.com/en/strona-glowna-en-2/>

²⁰² „Vorsino”, Freight village „Vorsino”, <http://freightvillage.ru/en/vorsino>

| <i>Unique location</i> | Infrastructure | Class A Cross-Duck Warehouses | Container Terminal | Customs Terminal |
|--|---|--|--|--|
| <i>70 km or 40 min from the MKAD (Moscow Automobile Ring Road)</i> | 39 ha – container terminal | Total area 73 787 sqm | Working hours: 24/7 | Obninsk Customs Post of the Kaluga Customs |
| <i>20 km form the New Moscow City border</i> | 74 ha – warehouse complex | Phase 1 - 38 162 sqm, 100% leased to X5 Retail Group | Total area 39 Ha | Post of sanitary & veterinary control |
| <i>63 km from airport Vnukovo</i> | 6,4 ha – multimodal customs zone | Phase 2 - 35 625 sqm, sold to Karl Schmidt Spedition | Railway line - 6 pcs (active area 1050 each) | Bonded warehouse 2 600 sqm |
| <i>Direct road connection to the M3 Moscow-Kiev and the Moscow big transport ring A108</i> | 8 ha – infrastructure | Ceiling height - 12 m | Container storage capacity of East terminal: 6000 TEU | Bonded parking zone: 300 trucks |
| <i>Direct physical link to rail line Moscow-Kiev (Vorsino station)</i> | 395 ha – land plots for industrial and warehouse facilities | Column spacing- 12x 24 m | Container storage capacity of West terminal: 4000 TEU | Container yard for customs handling |
| <i>Access to M1 via A108</i> | 80 ha - land plots for warehouse complexes | Load bearing - 8 t/sqm | Handling capacity up to 350 000 TEU/year | Special lifting & weight equipment, a system of monitoring of radioactivity and X-ray system |
| <i>Adjacent to the airport Ermolino (UTair base airport opening 2017)</i> | 88 ha - given to residents | The number of loading and unloading gates - 1/685 sqm of warehouse space | Terminal software from <i>Solvo</i> | Area for expansion - 6,4 Ha |
| <i>25 km to main rail yard Bekasovo</i> | | Loading and unloading docks are designed for load not less than 6 tones | Possibility to accept container trains up to 71 wagons | |

Table 72: The characteristics of Vorsino

Transport and logistics centre *Rosva* works mostly for the residents of Kaluga industrial park. Basically, it works in an interregional format by providing different kind of logistic operations.²⁰³ [Table 73].

²⁰³ „Rosva” Freight village, <http://freightvillage.ru/en/rosva>

| <i>Unique location</i> | Rail terminal | Container customs terminal | Automobile customs terminal |
|--|---|--|---|
| <i>190 km South-West of MKAD</i> | Railway station Vorotynsk is operating under the cargo paragraphs 3, 4, 8H, 10H (20/40 foot containers) | Total area 14Ha | Total area 5Ha |
| <i>18 km West of Kaluga city</i> | Railway freight park with the railway of the total length 13 000 m | Handling capacity up to 150 000 TEU/year | Warehouses complex 4 000 sqm, administrative building 1 500 sqm |
| <i>6 km from the federal road M3 Moscow-Kiev</i> | 6 spurs with the length from 850m to 1050m each | Simultaneous storage capacity 2500 TEU | Bonded parking zone is equipped with the special lifting & weight equipment, a system of monitoring of radioactivity and X-ray system |
| <i>Residents-partners: Peugeot Citroen Mitsubishi Automobiles Rus, Faurecia Automotive Development</i> | There is personal locomotive on the territory of the rail terminal | Equipment: Kalmar Reach Stackers | 2 bonded warehouses (Kaluga Customs and Central Excise Customs) |
| <i>Railway station Vorotynsk</i> | The main customer of the terminal – PSMA company | Possibility to accept container trains up to 71 wagons | Bonded parking zone: 380 trucks |

Table 73: The characteristics of Rosva

CLIP Group is a Polish company that owns one of the biggest freight villages near Latvia in the EU²⁰⁴ [Table 74]. The company currently has seven high storage warehouses and production halls for car construction components with a total area of approximately 450,000 m². The company deals with contract logistics and renting of warehouse spaces, also on a BTS basis (BTS – build to suit investment is a warehouse facility designed and constructed for a dedicated user). The company also provides customs services for companies.

At the same time, the company has an intermodal terminal with a capacity of 4500 TEU. The company provides railway siding services, container, and intermodal semi-trailer handling, storage, and road transport.²⁰⁵

Intermodal Terminal *CLIP* is located at the intersection of two corridors (*TEN-T*), on the strategic rail route E20 – Paris – Pekin. Currently, the terminal is being expanded as an investment co-financed by the EU under intermodal transport development programs. Estimated costs of investment in the terminal sum up to almost EUR 80 million.

²⁰⁴ CLIP Group, <http://clip-group.com/en/strona-glowna-en-2/>

²⁰⁵ CLIP Logistics, Intermodal Terminal CLIP, <http://clip-group.com/en/container-terminal/>

| Intermodal terminal | Before | Now | Future |
|------------------------------------|----------------------|--|---|
| Capacity | 4500 TEU | 4500 TEU | 10 000 TEU |
| QTY unloading tracks (each 750 m.) | 4 | 4 | 8 (including 6 container rail crane) |
| Transhipment equipment | 4x reachstacker 45 t | 6x reachstacker 45 t | 6x reachstacker 45 t |
| | 1x reachstacker 10t | 1x reachstacker 10t | 1x reachstacker 10t |
| | | 2x terminal-trailer | 2x terminal-trailer |
| RMG Container Rail Crane | 0 | 0 | Parameters 3x RMG: |
| | | | Nominal load capacity Q=40T |
| | | | Maximum span - 96 m |
| | | | Rail span – 51 m |
| | | | 6 rail tracks |
| | | | 15 rows of containers plus 2 truck lane |
| RTG Container Rail Crane | 0 | 0 | Parameters 2x RTG: |
| | | | Nominal load capacity Q=40T |
| | | | Maximum span – 30 m |
| | | | 2 rail tracks |
| | | | 3 rows of containers plus 1 truck |
| Lohr horizontal unloading stations | 0 | 2 unloading stations 4 semi-trailers at the same time | 2 unloading stations 4 |
| | | | Semi-trailers at the same time |

Table 74: The characteristics of CLIP Logistics terminals

Some services of the terminals include storage and transhipment of 20', 40', 40' HC, 45' containers, tank containers, reefers, swap bodies and intermodal trailers, container repairs, container stuffing and stripping, connections for reefers requiring controlled temperature and monitoring, container sealing, container, and trailer cleaning and sweeping and container and trailer pressure wash.

Most of the TOP 20 freight villages in 2015 in European countries were concentrated in Italy and Germany, concluded in the research *Positioning and Establishment of the Freight villages (FV) in Europe 2015*²⁰⁶ [Map 11]. During the study, the researchers looked at such things as intermodality, the structure of management, and the structure of services. Also, over 200 locations were identified and contacted. The ranking includes 40 benchmarks / key performance indicators dividend into sixteen clusters. The criteria were expanded by the latest and urgent aspects, as *Green Logistics* and *Security Management* as well. For more detailed information about the ports in BSR see Appendix 4.

²⁰⁶ DGG, <https://www.gvz-org.de/en/consultancy-services/freight-village-ranking/>



Map 11: TOP-20 freight villages in Europe in 2015, according to DGG

According to the research done by *Deutsche GVZ-Gesellschaft (DGG)*, a high share of combined transport is concentrated in the north of Italy and freight villages operate as gateways for the trans-Alpine traffic. On contrary, the freight villages in Spain are developing because there the global logistics processes of the textile manufacturer *Inditex* are concentrated, for example, *Zara*. From this perspective, the lack of the branches of *Rail Baltica* in Ventspils and Klaipeda could give better opportunities, for instance, to Poland to develop the potential transport hub or freight village of Asian /Chinese commodities.²⁰⁷

Regarding Poland, *DGG* emphasises that funding for railways and intermodal terminals promotes the development of freight villages. The automotive and logistics suppliers are the main consumers of the services in East and Central Europe.²⁰⁸

²⁰⁷ The interview with Andrejs Pumpurs, 22.02.2021.

²⁰⁸ European Freight Village Ranking 2015, Deutsche GVZ-Gesellschaft mbH, <https://www.gvz.org/de/en/consultancy-services/freight-village-ranking/>

Overall all or, at least, many freight villages include such features as:

- Location at the crosspoint of major motorways connecting different European regions or providing connections to non-European regions. This point is the most important because it provides convenient and easy access that is crucially important for all the interested parties;
- Different types or offer of transport modes, including, rail traffic, road traffic, and services of the port;
- An opportunity to equip the factories and workshops;
- An opportunity to use the services of warehouses;
- An opportunity to park the transport (trucks, cars) for a long time;
- Continuous technological development and implementation.

Analysing the equipment of the transport hubs around the BSR and ports, one can notice that there are many peculiarities. The ports around the BSR have most of these qualities: different types of transport modes, warehouses, workshops or factories, and continuous technological development. However, it is not clear do ports offer, for instance, the opportunity to park transport vehicles for a long time. Besides, the BSR ports usually are not on major roads of global or even regional importance. But it does not mean that the Freeport of Ventspils does not have the chance or means to develop a freight village. Overall, there are chances to make a freight village in Latvia and Ventspils, however, probably, one must consider how to implement some *know-how* in the daily work of the freight village that could be as a motivator for the companies to relocate.²⁰⁹

7.2. The description of the Freeport of Ventspils for the companies willing to expand or relocate

The total area of the Freeport of the Ventspils is 2451,39 ha, the port water area is 242,60 ha, and free industrial territories – 700 ha. Also, the maximum depth is 17,5 m and the maximum length of vessels that can enter the port – liquid cargo, bulk cargo –

²⁰⁹ The interview with Oskars Osis, 19.02.2021.

275 m, and maximum length for general cargo, ro-ro, and container vessels – 240 m.²¹⁰

Currently, there are various infrastructure and different kinds of companies that work in different sectors in Ventspils and in the territory of the Freeport of Ventspils. As several of the advantages why investors and companies searching for a place to develop their business the Freeport stresses the following features: 1) convenient import/export hub between the EU, CIS, and Central Asian markets; 2) customised territories for all kinds of industrial production; 3) labour supply, high potential of intellectual capital; 4) favourable business start-up attractive tax environment, the special economic zone status; 5) ambitious business incubation system; 6) supportive local government that is open for cooperation in every development stage of the company; 7) comfortable and tidy urban environment.²¹¹

Overall, there are seven industrial areas in Ventspils and since 2005, the Freeport of Ventspils has built production facilities in the area exceeding 40 000m². Moreover, this area is home to tens of local and foreign companies, which have already created more than 1700 new jobs. In addition to those seven industrial zones, there are also the facilities operated by Ventspils High Technology Park, Fish&Food Processing Area, Large Scale Industrial Sites, Riverside Industrial Area North, Riverside Industrial Area South, Marina Industrial Area, and Ventspils Airport Industrial Area.²¹²

The total area of Ventspils High Technology Park (VHTP) is 40 ha, and vacant space – 27 ha. There are available plots of land equipped with utilities, opportunities to design and construct industrial buildings, access roads and parking lots, etc. The companies working in the premises of VHTP, among others, include manufacturers of electronic systems and components *HansaMatrixVentspils*, IT company *Accenture*, manufacturer of flexible packing *IMMER Digital*, manufacturer of new generation heating and cooling systems *Wasserkabel Baltic*, liquid crystal display factory

²¹⁰ The Freeport of Ventspils, Port in General, <https://www.portofventspils.lv/en/port-in-general/>

²¹¹ The Freeport of Ventspils, Invest in Ventspils, <https://www.portofventspils.lv/en/invest-in-ventspils>

²¹² The Freeport of Ventspils, Industrial sites and premises, <https://www.portofventspils.lv/en/invest-in-ventspils/industrial-sites-and-premises/>

EUROLCDs, and other companies.²¹³ VHTP also offers a lot of other services like business consulting, property for rent, *Digital Innovation Hub*, etc.²¹⁴

Similar work is taking place in other industrial areas where one can find companies working on utility truck manufacturing, metal processing, modular construction, wood-processing, fish industry, chocolate industry, etc. Therefore the city of Ventspils and the Freeport of Ventspils have long-term experience in working with investors both from Latvia and other countries in different kinds of fields.²¹⁵

Also, it is important to note that the city and the Freeport are characterised by different kinds of utilities (electric power, ICT infrastructure, gas supply, etc.)²¹⁶, tax incentives²¹⁷, support programs for the investors²¹⁸, etc. The municipality of Ventspils also is realising its own investment projects.²¹⁹

The freeport has approved different kinds of fees, including tonnage fee, canal fee, cargo fee, pilot fee, small ship fee, sanitary fee, and others. Also, according to the laws and regulations, the Freeport of Ventspils maintains the infrastructure, buildings, cooperates with the municipality of Ventspils on questions about the infrastructure.²²⁰ Moreover, the Freeport of Ventspils can receive the biggest vessels that have the right to enter the Baltic Sea.²²¹

²¹³ The Freeport of Ventspils, Ventspils High Technology Park,

<https://www.portofventspils.lv/en/invest-in-ventspils/industrial-sites-and-premises/>

²¹⁴ The Freeport of Ventspils, <https://www.vatp.lv/en/home>

²¹⁵ The Freeport of Ventspils, Industrial sites and premises, <https://www.portofventspils.lv/en/invest-in-ventspils/industrial-sites-and-premises/>

²¹⁶ The Freeport of Ventspils, Utilities, <https://www.portofventspils.lv/en/invest-in-ventspils/utilities/>

²¹⁷ The Freeport of Ventspils, Tax incentives, <https://www.portofventspils.lv/en/invest-in-ventspils/tax-incentives/>

²¹⁸ The Freeport of Ventspils, Support for Investors, <https://www.portofventspils.lv/en/invest-in-ventspils/support-for-investors/>

²¹⁹ The city of Ventspils, Investment projects,

https://www.ventspils.lv/lat/investicijas_un_projekti/investiciju_projekti/

²²⁰ „Elektronikas centra ražošanas ēkas būvniecība Ventspilī Eiropas Reģionālās attīstības fonda darbības programmas „Uzņēmējdarbība un inovācijas” papildinājuma 2.3.2.2.2. apakšaktivitātes „Atbalsts ieguldījumiem ražošanas telpu izveidei vai rekonstrukcijai” ietvaros”, Ventspils Brīvostas pārvalde, 2013. pp. 7.-8.

²²¹ *ibid* p.10.

Since [1997] the Freeport of Ventspils works as a special economical zone (SEZ) where a number of enterprises are working and, depending on the status of the company, may receive tax credits in certain cases.²²²

Today the Freeport of Ventspils, as an SEZ, offers particular conditions for foreign investors. The Freeport provides considerable tax incentives that promote export and industrial activities. Consequently, the Corporate Income Tax (CIT) and Real Estate Tax (RET) is reduced by 80% until the company compensates up to 35% (55% for small companies and 45% for medium-size companies) of the investments. It means that during the compensation time the CIT rate is 4% and the RET rate is 0.3%. If, in turn, dividends are distributed to a company in SEZ, the profit tax is 4% instead of the usual 20%. Reliefs are also available on indirect taxes: Value Added Tax, excise, and customs duties. The Freeport of Ventspils offers companies to receive a license to operate until at least 2035.²²³

Regarding the ways how to attract Belarusian companies, several aspects must be pointed out. First of all, this is the “speed of immigration”. In other words, how fast is it possible to complete all the documents regarding the migration of Belarusian specialists and their families. The second – marketing, and in particular, digital marketing. For a long time, Latvian institutions have distributed various types of information on social networks that Latvia is home to a number of different Belarusian companies, popularising the idea that Latvia and Belarus have strong and long-lasting ties. In addition, Latvia ensures a stable infrastructure and eco-system.²²⁴

In order to better understand the potential of the transit corridor Belarus-Latvia-Sweden, the current study compiled a SWOT analysis about the Freeport of Ventspils [Table 75].

²²² „Elektronikas centra ražošanas ēkas būvniecība Ventspilī Eiropas Reģionālās attīstības fonda darbības programmas „Uzņēmējdarbība un inovācijas” papildinājuma 2.3.2.2.2. apakšaktivitātes „Atbalsts ieguldījumiem ražošanas telpu izveidei vai rekonstrukcijai” ietvaros”, Ventspils Brīvostas pārvalde, 2013. p.9.

²²³ Tax Incentives, The Freeport of Ventspils <https://www.portofventspils.lv/en/invest-in-ventspils/tax-incentives>

²²⁴ Ibid, p.10.

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> ● The Freeport of Ventspils has a well-developed and diverse infrastructure. ● Experience in working with Belarus, on loading salt and oil products. ● Experience on work with loading the cargoes of oil products and mineral fertilizers. ● Non-freezing port. ● The opportunity to register a company in Latvia for free and complete other bureaucratic formalities reducing the financial losses and time consumption. ● Free territories for the economic development. ● Latvia ensures political and economical stability. ● Good knowledge of foreign languages. ● Latvia ensures a stable judicial system, minimising the risks for the companies and business. ● Free, simple and easy access to the European market. ● Geographical and cultural proximity to Belarus. | <ul style="list-style-type: none"> ● No need for big logistic centres and freight villages because, normally, the trucks cross the country without stops. ● Ventspils is not on the way from Western Europe to Eastern Europe. It means that crossing the city and the Freeport of Ventspils is expensive and disadvantageous. ● Among the Belarusians, the most popular places for the relocation of the business is Russia, Ukraine, and Poland. ● No direct connection with „Rail Baltica” ● Partial dependence on the political situation in Belarus and Russia ● Longer distance from Belarus than from the port of Klaipeda. |
| Opportunities | Threats |
| <ul style="list-style-type: none"> ● It is possible that privatisation in Belarus is going to happen in one or two years. ● Several opportunities how to cooperate with Belarus and Belarussian companies. Commodities wood, saw timbers, and other wood-based materials. ● Belarussian Tech companies could be interested to relocate to Latvia or to work there because transportation costs could be reduced. ● Despite the fact, that there are freight villages in Russia, Ventspils must not forget that the city and the port are still between Russia and Western Europe. ● Latvia supports the development of high technologies ● Belarussian research and advisory company <i>ASER</i>, data shows that more than 39% of respondents are considering relocating the business to other countries. ● Several of the main positions of Belarussian exports are mineral fuel, oil products, fertilisers, and woodworking. ● Attracting Belarussian entrepreneurs: informative material, clear system about the emigration to Latvia, information campaign in the non-governmental sector and social media. ● To give a place for the Belarussian companies to work in such fields as photonics, ICT, high-technologies, etc. The attraction of selective and individual sectors must be precise and carefully chosen. ● In Latvia it's easier to get credit, therefore to develop a company. | <ul style="list-style-type: none"> ● Strong competition with the port of Klaipeda. One of the reasons why Belarussian enterprises choose Klaipeda is the clearer property and ownership structure. It gives safety and self-assurance to the investors. Thus, they would be ready to invest in the Freeport of Ventspils. ● The most promising Belarussian industry is the ICT sector. However, the tax treatment in Latvia for Belarussian ICT could be unfavourable. ● Strong logistic centres in Lithuania – in Vilnius and Kaunas. ● Among the Belarussians, the most popular places for the relocation the business is Russia, Ukraine, and Poland. ● Exports of such important goods from Russia and Belarus depend on the political situation ● The Freeport of Ventspils locates quite far from globally and regionally important routes. ● The lack of connection with <i>Rail Baltica</i> can stimulate the development of freight village in Poland, instead of Ventspils. |

Table 75: SWOT about the Freeport of Ventspils

The SWOT analysis allows to pay particular attention to potential opportunities and threats in the future. The wider examination of these circumstances can help the Freeport of Ventspils to attract more companies to move to its territory.

Opportunities

- It is possible that privatisation in Belarus is going to happen in one or two years. Therefore, many large state-owned companies could be privatised and become private or semi-private companies²²⁵. Until then the attraction of Belarusian state companies is a utopia, since these enterprises have a social role, as well.²²⁶ Thus, they would be more interested to work out of Belarus or to establish their branches in Latvia. The city of Ventspils must be ready to attract these companies in the Freeport of Ventspils.
- However, there are several opportunities how to cooperate with Belarus and Belarusian companies at this very moment as well. Looking at current top-export commodities from Belarus to Latvia and Sweden, one can notice wood, saw timbers, and other wood-based materials. By attracting the companies exporting these commodities, the Freeport of Ventspils can develop the potential freight-village in Ventspils.²²⁷ The Belarusian companies could open their branches or factories in Ventspils producing, processing, and adapting materials to EU requirements. Belarusian companies would also be interested in moving to Latvia or opening their branches, thus avoiding Latvian intermediaries working between Belarus and timber recipients in Western Europe or Scandinavia.
- Also, the Freeport of Ventspils can attract high-tech companies from Belarus.²²⁸ For instance, companies in the electronics sector can relocate their production facilities to Ventspils. Of course, this means to relocate the company to Latvia also legally, by corresponding to the criteria of the EU. Ventspils can offer Belarusian electronics enterprises also to open their branches in the facilities located or adjacent to the port. Belarusian companies could be interested to relocate to Latvia or working there because transportation costs of imported products from Belarus to the points of

²²⁵ Interview with Andris Spulis, 15.01.2021.

²²⁶ Interview with Toms Sturitis, 10.02.2021.

²²⁷ Interview with Andris Spulis, 15.01.2021.

²²⁸ Ibid

destination could be reduced. In addition, the product would already have been produced in the EU adhering to corresponding standards.

- Adapting the electronic bill of lading system and EFTI regulation in general would present Ventspils as a highly innovative port city and help reduce the bureaucratic bottlenecks for the companies using the transport corridor.
- Since Latvia supports the development of high technologies, there is a favourable environment for Belarusian technology companies and start-ups.
- According to the data provided by Belarusian research and advisory company *ASER*, more than 39% of respondents noted that they are considering to relocate the business to other countries.
- Several of the main positions of Belarusian exports are mineral fuel, oil products, fertilisers, and woodworking – all these commodities can be either unloaded in the Freeport, or loaded and developed according to EU standards in the Freeport of Ventspils, including in the potential freight village.
- Several ways how to attract Belarusian entrepreneurs: informative materials about doing business in Latvia, clear system about the emigration to Latvia, information campaign in the non-governmental sector, and social media.

Threats

- The biggest threat is the strong competition by the port of Klaipeda. One of the reasons why Belarusian enterprises choose Klaipeda is the clearer property and ownership structure. It gives safety and self-assurance to the investors. Having established similar guidelines and structures in Latvia, Belarusian companies would be ready to invest in the Freeport of Ventspils.²²⁹
- The most promising Belarusian industry is the ICT sector. Nevertheless, Latvia and the Freeport of Ventspils can face difficulties to attract companies working in ICT,

²²⁹ Interview with Maris Katranzi and Andris Spulis, 15.01.2021.

because of the tax treatment in Latvia and the competition created by Lithuania, Poland, and Ukraine.

- More and more Russian commodities are diverted to Russian ports. The same tendency can also be observed regarding Belarusian commodities. The decisions on collaborating with Baltic ports could be based on political guidelines.
- Strong and developed logistics centres are already working in Vilnius and Kaunas connecting Western and Central Europe on the one hand and Eastern Europe and Russia, on the other hand.

7.3. The commodities with the highest development potential for manufacture in Ventspils

In order to understand the industries that could relocate to Latvia, a rating assessment of the industries was prepared within the current study. This rating was based on the analysis of the market potential for the relocation of Belarusian companies, the analysis of the export structure of Belarusian enterprises, and the developed portrait of the target audience for business migration.

Also, the study found out which Belarusian companies were more interested in relocation to Latvia through individual consultations. Finally, the study team got the full list of Belarusian IT companies and offered to start the conversations about the potential relocation. For attracting the Belarusians, the city of Ventspils must work together with the Investment and development agency of Latvia (IDAL). Since the agency already has successful experience in attracting Belarusian companies, this would be promising if the two organisations work together. The current experience of IDAL shows that companies from such sectors as photonics, smart materials, IT, biotechnologies, and engineering would be ready to consider relocating to Latvia.²³⁰ IDAL could give its information, experience, advice, and contacts of Belarusian companies to the Freeport of Ventspils if it is necessary. Thus, the Freeport of

²³⁰ Interview with Toms Sturitis, 10.02.2021.

Ventspils will be able to start attracting Belarusian entrepreneurs already knowing in perspective directions, without wasting time.

The rating took into account such parameters as the volume of exports of the non-CIS sector, the orientation of companies to the Western market, the share of public sector enterprises, the technological effectiveness of the field, the level of human development. The results of the analysis are presented in [Table 76].

| Industry | Rating |
|---|---------------|
| <i>Information and communication technologies</i> | 8.90 |
| <i>Transport and logistic</i> | 6.64 |
| <i>Woodworking industry</i> | 6.36 |
| <i>Chemical production</i> | 6.15 |
| <i>Energy</i> | 5.97 |
| <i>Building materials industry</i> | 5.90 |
| <i>Mechanical engineering</i> | 5.64 |
| <i>Production of petroleum products</i> | 5.57 |
| <i>Food production</i> | 5.55 |
| <i>Services sector</i> | 5.34 |

Table 76: Rating assessment of the TOP-10 industries to determine the potential interest of enterprises in placing a business in the territory of Latvia. Source: ASER²³¹

Based on the data obtained, the most promising target industry is the ICT sector. This field is the leader in almost every analysed criterion: focus on the Western market, the share of public sector enterprises, the technological effectiveness of the field, the level of human development. The leaders are also the transport and logistics sector companies, whose business is mainly focused on the European market, and the woodworking industry, which is traditionally characterised by a high share of product exports and the presence of private players. Belarusian companies would be interested to create a wood post-processing centre in Ventspils.²³² The work of the field of IT in Belarus is burdened by the political regime. For instance, communication is impaired by the regime. Therefore, IT companies and start-ups are interested to relocate to

²³¹ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 53.

²³² Interview with Alexei Veluygo, 08.02.2021.

other countries.²³³ Also, among the most promising areas are chemical production, energy, and construction materials industry.

In the middle of February 2021, 17 projects or enterprises are relocating or have already relocated or expanded to Latvia. Some of them are ready to relocate completely, some of them – partly. 11 of them are already registered in Latvia. Most of them are ICT companies, however, there is also one producer of electric charging stations and one – development of unmanned aerial vehicles. Most of these companies are willing to work in Riga, however, one of them is interested to stay in Daugavpils producing optical sights. All the companies are ready to employ local residents.²³⁴

The city of Ventspils could be an interesting option for Belarusian companies. What could be interesting for the Belarusians are the potential opportunities in the territory of the Freeport as an industrial port. As always, the essential points on choosing the place to work are infrastructure and the availability of the labour force. Nevertheless, one must keep in mind that due to the COVID-19 pandemic the relocation has become more complex.²³⁵

In order to study the market potential for the placement of production facilities and the relocation of Belarusian companies to Latvia, a marketing internet survey was conducted on the impact of the political crisis and the global pandemic on the business of Belarus. One must take into account that due to the pandemic all the decisions and contracts in business and politics are concluded at the last minute, waiting and searching for the best opportunity.²³⁶ Also, the in-depth study on the readiness of Belarusian companies to relocate to Latvia revealed the current strategic thinking of the businesses in Belarus. Within this sample, more than 50 000 contacts with a conversion rate was 4.6% (messages read – 2306) were approached. Among the respondents, 69.6% of companies noted that the events of 2020 in Belarus had a

²³³ Interview with Toms Sturitis, 10.02.2021.

²³⁴ Interview with Toms Sturitis, 10.02.2021.

²³⁵ Ibid

²³⁶ Interview with Andrejs Pumpurs, 22.02.2021.

negative impact on their own business [Figure 29]. 21.7% did not notice a negative impact and only 8.7% noted positive results in 2020.²³⁷

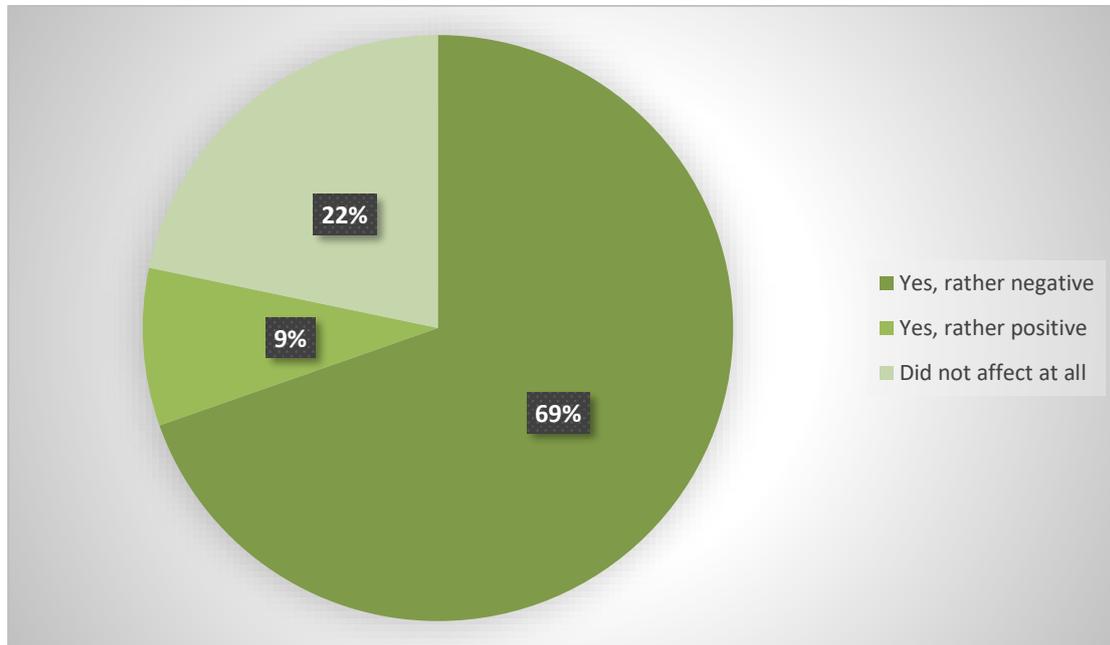


Figure 29: Have the events taking place in 2020 in Belarus and in the world influenced your business? Source: ASER survey²³⁸

More than 39% of respondents said they are thinking about relocating their business, and 17.4% are actively considering available options [Figure 30]. 34.8% do not have the opportunity to relocate because they work exclusively for the Belarusian market, and only 26.1% of respondents did not think at all about business relocation.

It should be noted that the real ratio of companies considering expansion or relocation of business is much smaller. This is due to the fact that companies interested in expansion or relocation are more likely to participate in such surveys.

²³⁷ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 46.

²³⁸ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 46.

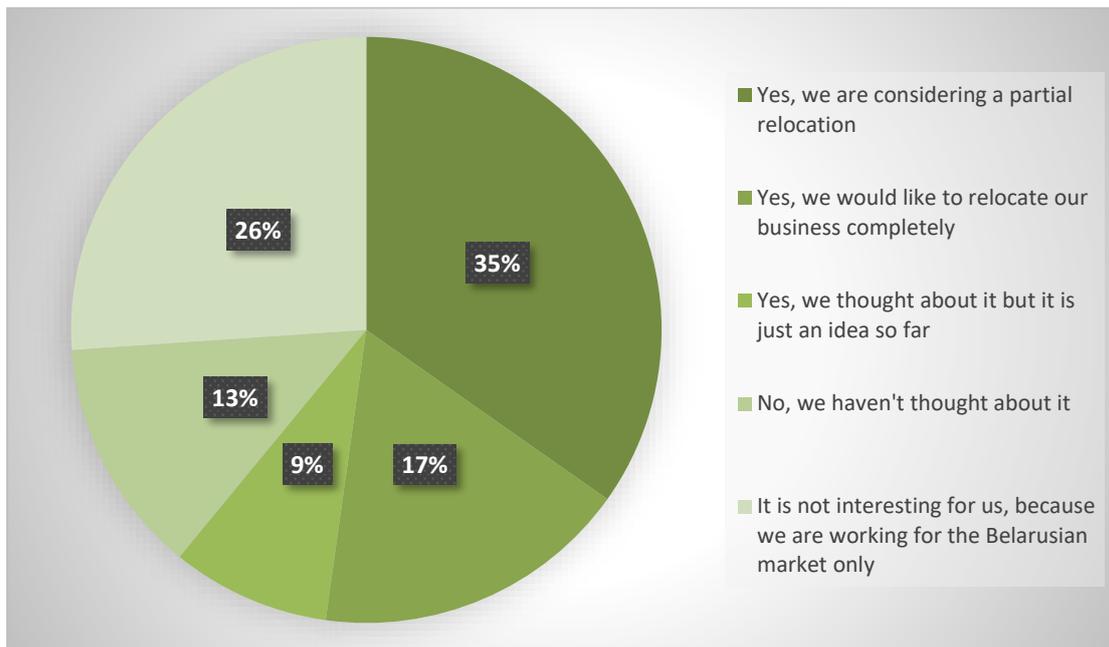


Figure 30: Have you thought about business relocation (full or partial)? Source: ASER survey²³⁹

Among the countries for business relocation, the most popular are Russia, Ukraine, Poland. The respondents also consider the Baltic and Eastern European countries, however, the number of mentions is significantly smaller than in the case of the aforementioned countries.

Describing the industry analysis of companies interested in locating a business in Latvia, it is necessary to highlight the main economic criteria for the interest of Belarusian companies. Based on the analysis carried out earlier, it can be concluded that such a criterion may be the presence of close economic ties with the EU.

In 2020 Belarus supplied its products to the markets of 174 countries. In the structure of Belarusian export of products, the leading position is occupied by the CIS countries, which accounted for 64.1% of the country's total exports in 2020, and non-CIS countries – 35.9%. Besides, there is a tendency towards a decrease in the share of Belarusian exports to non-CIS countries (compared to previous periods).

²³⁹ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 47.

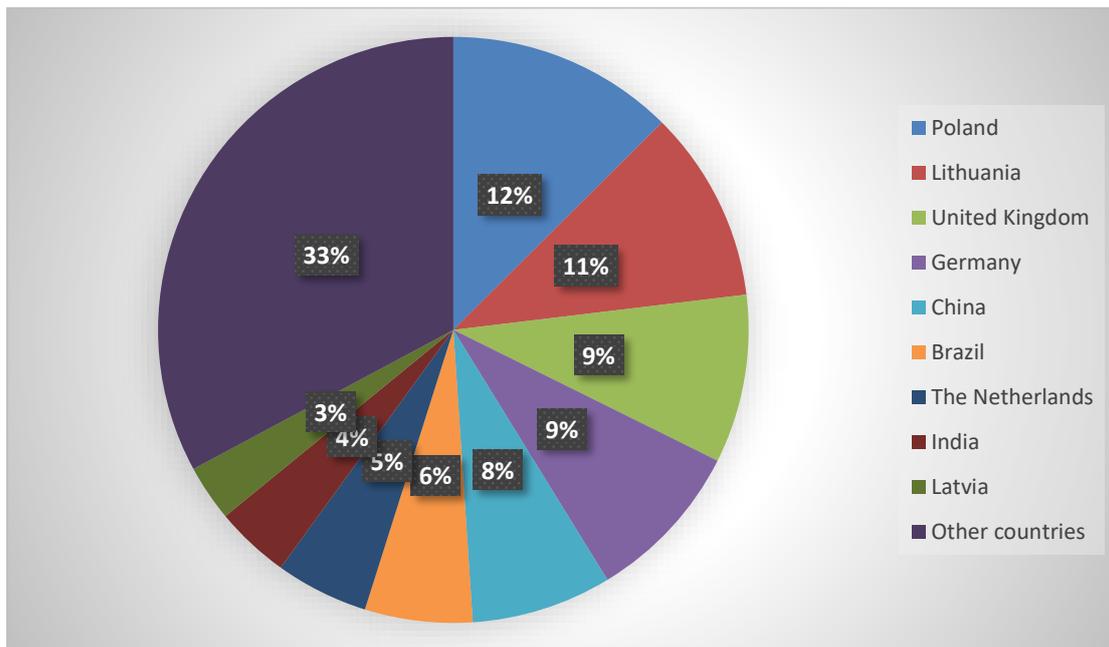


Figure 31: TOP importing countries in the Belarusian export of goods outside the CIS in 2020 Source: National Statistical Committee of the Republic of Belarus²⁴⁰

Thus, Poland is a key importer of Belarusian products outside the CIS, which accounts for 12.5% of trade in 2020 [Figure 31]. This is followed by Lithuania, Great Britain, Germany, China, Brazil, the Netherlands, India, Latvia.

As for the commodity structure of Belarusian exports to the TOP-10 countries of all CIS countries, the key position is mineral fuel and oil products (23.9%) [Figure 32]. Fertilizers and woodworking also account for large shares (21.7% and 12.9%, respectively). The list also includes ferrous metallurgy and its products, the furniture industry, the railway industry, and land transport, meat and meat by-products. These products also make up a significant share in the structure of Belarusian export of products.

²⁴⁰ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, P. 52.

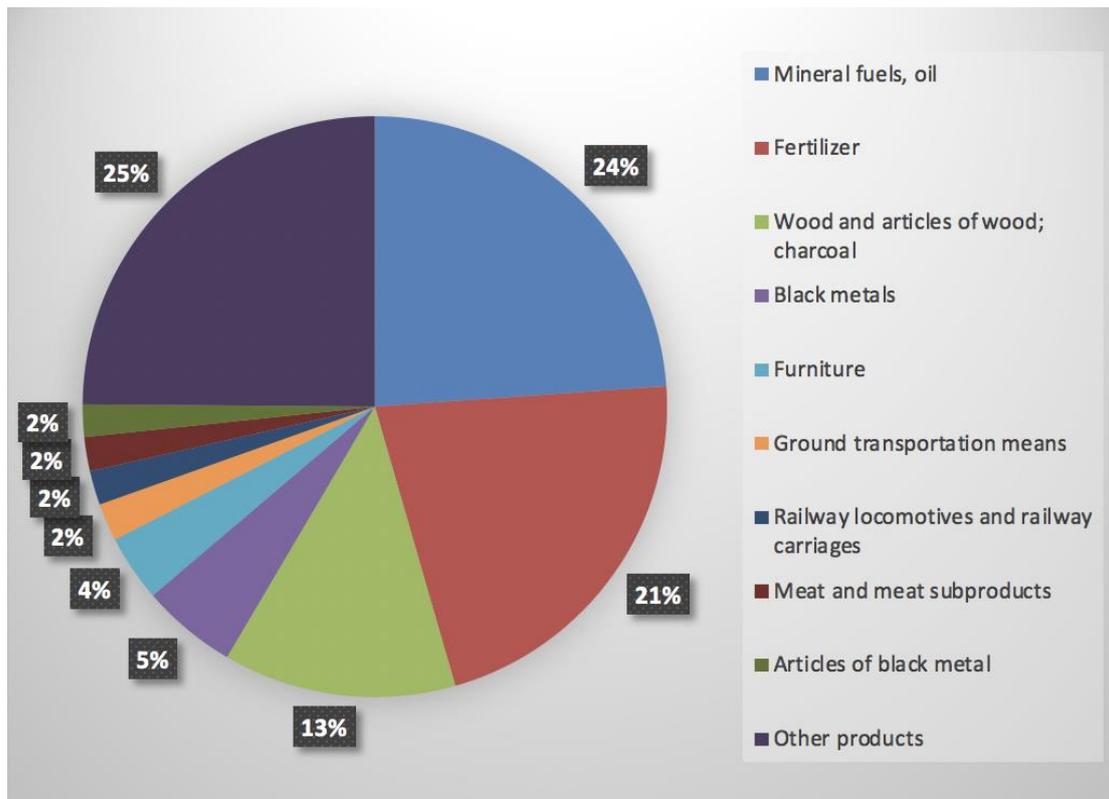


Figure 32: Commodity structure of exports of the Republic of Belarus outside the CIS in 2020. Source: National Statistical Committee of the Republic of Belarus²⁴¹

The structure of state ownership of Belarus by sectors of the economy is heterogeneous. In some markets of the oil sector, fertilizers, chemical industry, etc. the share of state-owned enterprises reaches 100%. However, despite high export indicators and production capacities, they cannot be considered as a promising direction for expansion or relocation.

Based on the data [Table 77], the conceptual portrait of this target audience can be described as follows²⁴²:

²⁴¹ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 52.

²⁴² Ibid

| Criteria | Characteristics |
|--|--|
| Business size | Small or medium |
| Form of ownership | Private |
| Scope of activity | Not limited (increased risk of facing the need for relocation to enterprises in the IT sector, leisure, media, finance, consulting); |
| Enterprises | The ones received fines from the state or enterprises that were subject to state inspections during the last month; |
| The top managers (and the companies where they are working) | In the companies that are political prisoners; |
| The top managers (and the companies where they are working) | The managers who were subjected to administrative prosecution. |

Table 77: Conceptual portrait of the target companies

Economic relocation. This is a relocation type based on increasing the benefits for the business, as a result of its implementation. Economic factors are the key factors in deciding whether to emigrate. To attract this target group, the key parameters will be the country's economic indicators, the existing conditions for business development, the cost and availability of capital.

It should be recalled that an important criterion for the selection of companies interested in expanding or locating production on the territory of the EU is the export potential of the enterprise and the development of sales markets in Europe. It is also advisable to locate production on the territory of the EU for companies that actively use imported technologies and equipment for the production phase.

The conceptual portrait [Table 78] of this target audience can be described as follows²⁴³:

²⁴³ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 45.

| Criteria | Characteristics |
|---|--|
| Business size | Medium or large |
| Form of ownership | Private |
| Field of activity | Trade and logistics companies, representatives of the IT industry, mechanical engineering, woodworking and furniture industry, petrochemical enterprises |
| The company's business | Largely tied to the export of goods or services to the European market |
| The largest clients | European enterprises |
| The presence of foreign offices | Of the company, the presence of a representative office in the territory of Latvia |
| The use of imported technology and equipment | Necessary for the production of products: also an important factor is the certification of products in accordance with EU requirements |

Table 78: The conceptual portrait of target companies

Summarising the above data, it should be noted that there are no standardised criteria for making a decision to emigrate. These factors are unique for each individual enterprise, however, the compliance of the studied companies with several of the above parameters significantly increases the likelihood of a positive decision. Also, one of the factors slowing down the attraction of Belarusian business may be the lack of awareness of enterprise managers about the conditions and possibilities of expansion or relocation. In Belarusian society, there is an opinion that there are no serious prospects for the development of local business abroad. Besides, there is an idea that Belarusian companies could be negatively influenced by the presence of hidden „pitfalls”, bureaucratic procedures, and restrictions. The potential interest of Belarusian companies in relocation to Latvia can be significantly increased by purposeful work to increase the awareness of Belarusian business about the opportunities in this direction, as well as the presence of a single consulting centre with the possibility of personal communication.

Economic expansion. The Freeport of Ventspils is ready to attract Belarusian and Swedish companies within the economic expansion. It means to attract the companies that would like to create their branches in Ventspils. For its part, the Freeport of

Ventspils is to ensure high skilled labour, experience on work on an international level, versatile equipment, and experience on work with foreign enterprises in the territory of the Freeport. From the viewpoint of the companies, the branch in Ventspils could be the connector not only between Scandinavia and Belarus, but also Scandinavia, Western Europe on the one side, and Russia, CIS countries, China, and Asia. Overall, the expansion of Belarusian or Swedish companies in the Freeport of Ventspils is going to increase the economic activity in Ventspils.

7.4. The evaluation of companies willing to expand or relocate to the Freeport of Ventspils

Below is a list of companies that have expressed interest and are considering the possibility of partial relocation of their business to Latvia.

Short list of companies: - *LLC Daber*; - *ODO Anadimtur*; - *LLC Energocomplekt*; - *State of emergency Vitebsk lifts*; - *OJSC Aetsoft*.

OOO Daber



Address: Vitebsk, Victory Avenue 15

Tel .: +375 (29) 780-58-23

Website: <https://daber.by/>

Industry: woodworking, trade

The company is based on the vast experience of investors and managers in the construction industry. The main idea of the company's development is the design and construction of offices, residential buildings, baths, guest and country houses on a turnkey basis.

The main activities of the company are:

1. Development of design projects;
2. Development of modern models of furniture, buildings, and decorations;
3. Own production of metal products, natural wood, and laminated chipboard;

4. Trade-in products of our own and third-party production;
5. Construction of baths, houses, small architectural forms, and sheds in a modern style.

ОДО Анадимтур



Address: Minsk, st. Rakovskaya, 34

Tel .: + 375 17 396 09 15

Mail: tp2652@mail.ru

Website: <http://anadimtour.by/>

Industry: transport, tourism

The travel company *Anadimtour* was founded in 1996. All this time the company *Anadimtour* has been successfully operating in the market of tourist services and offers the population both rest and excursion tours. The campaign develops and offers to the market such vacation destinations as Turkey, Egypt, Cyprus, Greece, Spain, Bulgaria, Montenegro, Croatia, UAE, Thailand, Cuba, Dominican Republic, Maldives, Indonesia, Goa, Malaysia, tours to Crimea, Ukraine, Lithuania, Latvia, Poland, as well as an extensive excursion programme in the countries of Eastern and Western Europe.

In addition, the company is actively involved in the development and promotion of travel services in Belarus on the international market. For this purpose, specialists develop excursion programs that are offered for both groups and individual tourists.

ООО Энергокомплект



Address: Vitebsk, Moskovsky prospect, 94B

Tel .: +37529 641 94 65

Website: <https://vikab.by/>

Industry: electrical

Association *Energocomplekt* is the largest enterprise in Belarus in this industry. The main direction of its activity is the production and sale of cable and wire products, the nomenclature of which today is more than 20 000 brand sizes. Today, the production association *Energocomplekt* is the largest enterprise in Belarus for the production of cables and wires and includes four production workshops with all the necessary production infrastructure.

The enterprise employs about 600 qualified specialists and workers, of which 26% are engineering and technical personnel. All management personnel has higher education, workers - special technical.

ЧП Машиностроительная компания

Витебские подъемники



Address: Vitebsk, Beshenkovichskoe highway, 26/2

Tel .: +375 (212) 66-60-06

Mail: vipovstm@mail.ru

Website: <http://agpvipo.com/>

Branch: mechanical engineering

Today the machine-building plant *Vitebsk elevators* is the leading enterprise in Belarus for the production of lifting and transport equipment.

The structure of the plant has its own design and technology center, equipped with the latest, special equipment and software, allowing the implementation of design work of any category of complexity. The main volume of products manufactured by the company is sold to export markets, to the Russian Federation, Ukraine, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Armenia, Georgia, Moldova. The partners are leaders in the domestic engineering industry and leading foreign manufacturers: *MAZ, GAZ, KAMAZ, URAL, Isuzu, Hyundai*.

In 2012, the company became the winner of the competition for innovative projects in the nomination "The best innovative project of the Republic of Belarus". The company's products were awarded the European Quality 2010 prize in Paris. The enterprise won the Entrepreneur of the Year 2015 National Competition in the Innovatively Active Business nomination. In 2017 awarded the I degree diploma of the winner of the XIX republican competition of consumer preferences „Product of 2017” in the category „Hoisting-and-transport and special equipment”.

OAO Aetsoft



Address: Minsk, str. Zheleznodorzhnaya 33A/1-6

Tel.: + 375 25 500 88 99

Website: <https://www.aetsoft.by/>

Branch: IT

Aetsoft creates solutions to improve business efficiency and data security, reduce dependence on intermediaries and increase customer profits.

The company provides a wide range of services, including consulting and development of blockchain applications and solutions based on Data Science, artificial intelligence, and machine learning with the ability to recognise and process images. He has extensive experience in digitalising clients' businesses and implementing the latest technologies to improve the efficiency of enterprises.

Other Belarusian companies

As noted before, according to the publicly available information, the main commodities exported from Sweden to Belarus are mechanisms and machinery and electrical equipment. Belarussian exports to Sweden via Ventspils constitute wood and wood products, metals and articles thereof. Also, the most shipped commodities from the Freeport of Ventspils to the port of Nynäshamn are metals, building materials, furniture, and wood timber. In the opposite direction are sent wood and

wood products, metals and articles thereof, fish of Norwegian origin²⁴⁴ and metal. Thus, it can be assumed these fields are with the highest relocation potential to the Freeport of Ventspils. Therefore, the companies operating in these sectors have the highest relocation potential. Consequently, several Belarusian [Table 79] and Swedish companies [Table 80] are shortlisted that can be targeted for cooperation by the Freeport of Ventspils. With regard to Belarusian companies, it must be stressed that emphasis must be on companies operating in the private sector, as forestry and wood is a state-regulated sector. Consequently, the list of Belarusian companies includes the enterprises that manufacture the products from wood and, in the vast majority of cases, are engaged in exports. For both Swedish and Belarussian companies, the potential presence in the Ventspils was assessed, either by their current presence in Latvia or by economic interest, i.e. importing or exporting goods via Latvian ports.

The mentioned industries would benefit from specialised services along the way of the transit corridor and the Freeport of Ventspils has preconditions to offer such services. The Freeport of Ventspils can offer a different kinds of services for the companies that would be ready to work or stay in the port. Among them are the services provided by the terminals, shipping agencies, industrial diving, tugs, bunkering, maritime waste management, ship chandler services, pilot motorboat, and office rent.²⁴⁵ Besides the Freeport of Ventspils is providing different kinds of opportunities how to build and develop the business in the territory of the port: to rent the industrial buildings, to use the connectivity with the different kinds of modes of transport, to use the industrial sites and premises, utilities, high skilled labour and tax incentives and support programme for the investors.²⁴⁶ Therefore the Freeport of Ventspils provides a different kind of tools for the development.

The following table (Table 79). shortlists other companies that can be targeted to consider co-operation with or expansion to the Ventspils freeport.

| No. | Company | Field | Website |
|-----|-----------------|----------------------------------|---|
| 1. | Agrotechkonmash | Manufactures metal constructions | https://www.listcompany.org/Agrotechkonmash_Info.html |
| 2. | Allesta | Kitchens manufacturer, garden | https://www.fordaq.com/compa |

²⁴⁴ Interview with an expert on port business Maris Katranzi, 01.02.2021.

²⁴⁵ The Freeport of Ventspils, Services at the port, <https://www.portofventspils.lv/en/port-services>

²⁴⁶ The Freeport of Ventspils, Invest in Ventspils, <https://www.portofventspils.lv/en/invest-in-ventspils>

| No. | Company | Field | Website |
|-----|--|---|---|
| | | manufacturer, solid wood pallets | ny/Allesta_441884.html |
| 3. | <i>Alumin Techno SOOO</i> | Manufacturer of extruded aluminium profiles, window-door profile system, glazing profile system | https://www.listcompany.org/Alumintechno_Sooo_Info.html |
| 4. | <i>ArchiLine Wooden Houses</i> | Wooden houses, chalets manufacturers | https://ownwoodenhouse.com/ |
| 5. | <i>Belapari</i> | Construction of wooden buildings | https://belapari.org/ |
| 6. | <i>BFC (Belarusian Forestry Company)</i> | Export-oriented operator of timber and wood products (company is the holding of nine companies producing laminate flooring, matches, plywood and wood plate products) | https://bfcwood.com/en/ |
| 7. | <i>BelDver</i> | Wooden doors and sawn timber manufacturer | https://beldver.ru/ |
| 8. | <i>Belwooddoors ALC</i> | Doors manufacturers | https://belwooddoors.com/en/news/bwd-work |
| 9. | <i>BioWest LLC</i> | Wood fuel briquette manufacturer | https://www.wood1.com/wood-suppliers/biowest-llc |
| 10. | <i>JSC Borisov olant METALLIST</i> | Sales and producing of agricultural technique | https://www.metals1.com/metal-suppliers/metallist-by |
| 11. | <i>JSC Borisovski DOK</i> | Garden houses, baths, shelter sheds | http://borisovdok.by/en |
| 12. | <i>Dubkom</i> | Solid wooden panels, FJ panels, furniture elements, interior doors, entrance doors, furniture, windows from solid oak | https://www.dubkom.com/ |
| 13. | <i>Gorodnik Ltd.</i> | Wooden houses, chalets manufacturers | http://gtimber.com/ |
| 14. | <i>Green Plant UE</i> | Furniture, windows from wood, solid wood panels | http://www.greenplant.by/ |
| 15. | <i>LLC Zov-Market</i> | Interior furniture producer | https://www.fordaq.com/company/LLC+ZOV-MARKET_498535.html |
| 16. | <i>Massiv-Drev LLC</i> | Wooden pine products for garden and landscape design | http://www.massivdrev.com/en/ |
| 17. | <i>Molodechno Tube Rolling Plant</i> | Manufacturer of steel and pipes | https://www.listcompany.org/Molodechno_Tube_Rolling_Plant_Info.html |
| 18. | <i>PUE Lesstroyresurs</i> | Fences, gates, wickets manufacturer | https://www.wood1.com/wood-suppliers/lsr-by |
| 19. | <i>OOO Profitsystem</i> | Fences, garden parts, construction materials, biofuel | http://www.ps.by/eng/o-kompanii/ |

Table 79: Belarusian companies that may need to be approached for work at the Freeport of Ventspils

Other Swedish companies

Swedish companies or companies with Swedish investments are already working in different fields both in Belarus and the Freeport of Ventspils. By 1 July 2018, the Swedish investment in the Belarusian economy amounted to 84.5 million USD (71.64 million EUR) of which 41.5 million USD (35.09 million EUR) are direct investments. 23 companies, including 12 joint ventures and 11 Swedish-owned, with the participation of Swedish investors, were working in Belarus. Among these companies were enterprises working in different fields: *SNA Europe Industries* (manufacturing of

chinery)²⁴⁷, *RindiBel* (wood processing)²⁴⁸, *Vireo Energy* (landfill gas-to-power installations)²⁴⁹, etc. Also, such well-known Swedish companies as *IKEA* (furniture), *Ericsson* (telco), *Trelleborg* (different industries), and *Sandvik* (engineering company) have their representative's offices in Minsk.²⁵⁰

Currently several Swedish companies or companies with Swedish capital are working in the Freeport of Ventspils. For example, *EUROLCDS Ltd*²⁵¹ (by engaging Swedish investors *Hornell Tehnikinvest* and *LC-TEC Display AB*) producing liquid crystal displays, *Ventspils-Andren Ltd*²⁵², a joint venture of Latvian private persons and the Swedish company *Sten Andren AB*, producing large-scale fiberglass reservoirs, pipelines and other constructions for highly aggressive chemicals, *Baltic Forest Trading*²⁵³, a company founded in Sweden, manufacturing wooden building materials, and *Arbo Windows*²⁵⁴ (for which Sweden is one the main export markets).

Table 80 lists the Swedish companies which already have or might have interest to intensify their cooperation with or expand their operations to the Freeport of Ventspils. All the selected companies are characterised by several qualities that could define their ambitions to work in the Freeport of Ventspils. Firstly, all the mentioned companies are working internationally, discovering new markets and developing existing ones. Secondly, all the companies are working in the fields that are already interesting and existing on the route Belarus-Latvia-Sweden. Thirdly, according to the information found on publicly available information, all the companies have limited presence in Eastern Europe. Therefore the Baltics could be potentially new and interesting markets for them. Finally, all the companies are stable, internationally

²⁴⁷ „SNA Europe Industries”, https://www.bahco.com/int_en/sna-europe

²⁴⁸ „RindiBel”, <http://rindibel.by/en/>

²⁴⁹ „Viro Energy”, <https://recovia.se/country-pages/belarus/>

²⁵⁰ Swedish companies demonstrate confidence in Belarus and invest in business development, Embassy of the Republic of Belarus in the Kingdom of Sweden, 13.08.2018., <https://sweden.mfa.gov.by/en/embassy/news/a32c86c617550d94.html>

²⁵¹ „EUROLCDS Ltd.”, The Freeport of Ventspils, <https://www.portofventspils.lv/en/invest-in-ventspils/industrial-clients/eurolcds/>

²⁵² „Sten Andren AB”, <https://www.portofventspils.lv/en/invest-in-ventspils/industrial-clients/ventspils-andren/>

²⁵³ „Baltic Forest Trading”, <https://www.portofventspils.lv/lv/razo-brivosta/rupnieciskie-klienti/baltic-forest-trading/>

²⁵⁴ „Arbo Windows”, The Freeport of Ventspils, <https://www.portofventspils.lv/en/invest-in-ventspils/industrial-clients/arbo-windows/>

highly evaluated, reliable and experienced participants of the market. Thus, these enterprises could be reliable and long-term partners for the Freeport of Ventspils.

| No. | Company | Field | Website |
|------------|--------------------------------|--|---|
| 1. | <i>AB Karl Hedin</i> | Forestry | https://www.abkarlhedin.se/ |
| 2. | <i>ABB Group</i> | Industrial machinery, robotics, automation | https://global.abb/group/en |
| 3. | <i>Alfa Laval</i> | Machinery and Manufacturing, pulp and paper, energy and other fields | https://www.alfalaval.com/ |
| 4. | <i>Alfdex</i> | Truck parts supplier | https://www.alfdex.com/ |
| 5. | <i>AP&T</i> | Metal forming machinery | https://www.aptgroup.com/company |
| 6. | <i>Arcam</i> | Industrial suppliers | https://www.ge.com/additive/who-we-are/about-arcam |
| 7. | <i>ASEA</i> | Diversified industrials, metalurgy products | https://global.abb/group/en/about/history/heritage-brands/asea |
| 8. | <i>ATA Timber AB</i> | Forestry | https://www.ata.nu/en/ |
| 9. | <i>Berg Propulsion</i> | Controllable-pitch propellers | https://www.bergpropulsion.com/ |
| 10. | <i>Berg Timber</i> | Woodworking | https://bitus.se/ |
| 10. | <i>Camfil</i> | Electronics&optics and material processing | https://www.camfil.com/en/ |
| 11. | <i>Derome Timber AB</i> | Forestry | https://www.derometimber.com/ |
| 12. | <i>Haldex</i> | Automotive parts | https://www.haldex.com/en/int/about-us/ |
| 13. | <i>Höganäs AB</i> | Powdered metals, iron and steel | https://www.hoganas.com/en/about-hoganas/hoganas-in-three-minutes/ |
| 14. | <i>Holmen</i> | Paper, forestry | https://www.holmen.com/ |
| 15. | <i>Husqvarna Group</i> | Outdoor power products | https://www.husqvarnagroup.com/en/node/79 |
| 16. | <i>Hydrauliska Industri AB</i> | Commercial vehicles, lift and cranes | https://www.hiab.com/en/brands/hiab |
| 17. | <i>Martinsons</i> | Forestry | https://www.martinsonstra.com/ |
| 18. | <i>Norra Skogsakarna</i> | Forestry | https://www.norraskog.se/ |
| 19. | <i>NorthStar</i> | Lead-acid batteries | https://www.northstarbattery.com/ |
| 20. | <i>Öhlins</i> | Manufacturer of suspension for motorcycle | https://www.ohlins.com/ |
| 21. | <i>Scania Auto</i> | Vehicles, automotive parts | https://www.scania.com/ |
| 22. | <i>Setra Group</i> | Wood products | https://www.setragroup.com/en/ |
| 23. | <i>Stenvalls AB</i> | Forestry | https://www.stenvalls.se/en/ |
| 24. | <i>Vida AB</i> | Forestry | https://www.vida.se/en/startpage/ |
| 25. | <i>Volvo</i> | Vehicles, automotive parts | https://www.volvo.com/ |

Table 80. Swedish companies that may need to be approached for work at the Freeport of Ventspils

7.5. Ways how to reach the Belarusian business niche in terms of relocation

The development of a marketing strategy is a complex and multifaceted task that requires a systematic, planned approach, including the study of all modern trends in the development of target markets. The formation of the company's marketing strategy aimed at attracting Belarusian business should take into account the peculiarities of both the fundamental features of the market and the trends that were formed during 2020. The main strengths on which a strategic advantage should be built are:

- The possibility of free access to the European market;
- Ease of business registration;
- Business conditions;
- Geographical and cultural proximity to Belarus.

The key task that needs to be solved by the current marketing strategy is the lack of informing the Belarusian business about the possibilities and conditions of relocation, since, in the current political and economic situation, in the near future, a decrease in interest in this issue is not expected. Thus, a marketing strategy for attracting Belarusian business should be aimed at:

- Ensuring that the heads of enterprises are informed about the possibilities and conditions of relocation;
- Formation of an informative and accessible tool for obtaining complete information about doing business in Latvia;
- Formation of a single reference centre for all emigration issues;
- Intensification of resources for the regions neighbouring Latvia and the city of Minsk.

The promotional action plan may include:

- Targeting in the Belarusian internet space to management or top business managers;
- Participation in non-governmental business forums and conferences (participation as a partner is possible);
- Use of PR promotion channels (work with local media in the issue of informing the population, placement of ordered articles);

- Display advertising on *YouTube* (video topics: politics, economics, and business, emigration);
- Monitoring of the Belarusian media space;
- Contacting with Belarusian business organisations and associations. For example, Innovation Association *Republican Centre for Technology Transfer*²⁵⁵, Association of legal entities *Republican Confederation of Entrepreneurship*²⁵⁶ or industrial park *Great stone*²⁵⁷, Association of European Business²⁵⁸, EU-based research centre with focus on CASE Belarus.²⁵⁹

Based on the political situation in Belarus, information about the relocation of companies, as a rule, does not go beyond the industry news segment, and the search for options for emigration occurs exclusively on a personal level. In this connection, working with opinion leaders and experts in specific fields can become an effective way to find the target audience for business migration from Belarus to Latvia. As practice shows, the recommendation of potential candidates based on personal communication or knowledge of the market can be the most effective search for target companies in the market.

Similarly to market experts, it is recommended to consider interaction with human rights organisations and opposition structures. They accumulate a large amount of operational information about the ongoing repressions on the territory of Belarus and, therefore, receive operational information about potential candidates for relocation.

Conceptual portrait of the target audience of business migration from Belarus to Latvia.

During the last years, migration from Belarus is a stable trend, which has received a strong new impetus in 2020. The main peak of these processes started after August 2020. According to the Department of Citizenship and Migration of Belarus, in

²⁵⁵ Innovation Association „Republican Centre for Technology Transfer”, <https://ictt.by/rus/>

²⁵⁶ Association of legal entities „Republican Confederation of Entrepreneurship”, <https://een.ec.europa.eu/about/branches/by00832>

²⁵⁷ Industrial park „Great park”, <https://en.industrialpark.by/>

²⁵⁸ Association of European Business, <http://www.aebbel.by/eng>

²⁵⁹ CASE Belarus, <https://case-belarus.eu/>

September, more than 13 000 Belarusians left the country for Poland and Ukraine and about 500 more went to Lithuania and Latvia.

This process was caused by several reasons:

- Inconsistent government policy regarding the fight against *COVID-19*. This policy took several forms: 1) complete denials of the problems associated with the global pandemic; 2) the lack of reliable statistics on morbidity; 3) the material and technical unpreparedness of the health sector during the increased loads, thus a large part of the population was faced with the fact that the state was unable to provide their basic needs for safety and health protection.
- Deep political crisis in Belarus, which grew into an economic crisis. After the presidential elections in Belarus, in August 2020, the country faced repressions against its own population (more than 31 000 repressed). These events resulted in a weakening of the Belarusian ruble (by 8.3%), a record decline in gold and foreign exchange reserves (by USD 1,536.4 million, or 17.3%), an outflow of funds from the banking system (over USD 1.5 billion), which ended in a liquidity crisis and a reduction in bank lending. The brutal detentions and the persecution of people for their political beliefs triggered a further increase in mistrust in the current government and a sharp deterioration in the investment and economic climate in the country.
- The global economic crisis of 2020. As a small open economy relying on the export of the different commodities, Belarus is heavily influenced by global shocks and caused by dramatic contractions in the economic activity of its major trading partners, including, falling oil prices and global financial instability associated with the *COVID-19* pandemic. Thus, a decrease in the growth rate of the Belarusian economy (GDP for 9 months decreased by 1.3%) is not associated with the political crisis but is a consequence of stagnation in foreign markets. The natural result of the activities of the current regime is the largest increase in emigration in recent history, most of which may become irrevocable.

7.6. Advantages of Latvia for attracting Belarusian entrepreneurs

According to the data of the National Statistical Committee, during August-September 2020, totally, 1890 people left for Ukraine, 1751 people - for Poland, 435 people went to Lithuania, and 131 people went to Latvia. Based on the data of August-September 2020, five times more Belarusians left for Poland than for the entire 2019, almost twice as many to Ukraine, and about the same amount to Lithuania and Latvia as for the whole last year.

There is a growing interest of Belarusian entrepreneurs in the possibility of the collaboration with Latvia, as a neighbouring country-member of the European Union (EU), for the development of their business activities. To achieve this aim, at the government level in Latvia the initiative groups have been created. The purpose of these groups is to maximally simplify the procedure for passing all state institutions for business representatives from Belarus.

There are several factors that attract Belarusian businessmen to Latvia. Including them, to register a company in Latvia for free, to open a current account for free, to organize a full-fledged working office, to complete the formalities regarding the headquarters in Belarus, thus reducing to a minimum the losses inevitable during the move. Besides, there are several important competitive advantages that help attract Belarusian businesses to Latvia as a place to develop their entrepreneurial activities:

- Latvia is a member of the most important international organisations - EU, NATO, OECD, and the World Trade Organisation, which guarantees a safe environment for entrepreneurship and investment protection.
- In Latvia, one can register a new company comparably fast.
- According to the results of the EU Eurobarometer, 95% of the population of Latvia speaks at least one foreign language, 49% of the population speaks at least two foreign languages, and 13% of the population speaks three foreign languages. In addition, 44% of the surveyed population uses a foreign language every day. The native language of around 30% of the population is Russian. This knowledge and

mutual understanding of cultures allow Belarusian entrepreneurs to transfer or start their business in Latvia much easier than in any other EU member state.

- Latvia has one of the fastest internet performance indicators in the world.
- There are already 50 international business service centres operating in Latvia, employing a total of 15 thousand people.
- In Latvia, special attention is paid to the development of high and medium-high technologies. Thus, 70% of start-ups work in the field of fintech. In addition, special government support tools are available for those working in these sectors.
- Quality education in foreign languages is available in Latvia.
- Latvia is the second „greenest” country in the EU, with a total coastline of 498 km.

It should be noted that the decision to relocate for the overwhelming majority of Belarusian business would be a decision made under the pressure and formed under the influence of internal or external factors when other options for the development of events have already been rejected or are inaccessible. Therefore, the formation of a portrait of the target audience for business migration requires a complex consideration for a number of factors. One must separate factors that influence the decision to relocate: political, economic, environmental factors, socio-cultural and legal, technological, and, the last one, political relocation.

- **Political.** The political situation in Belarus affects the relationships between the companies and their existing and potential customers. For more than 6 months, the political situation has been shaping the main information agenda of Belarus. In view of this, economic pressure is the main political instrument for persecuting business. There are many cases when the Belarusian business was completely liquidated or partially transferred due to constant economic persecution of the organisation, key employees, or hindering its functioning with the help of unreasonable inspections. It is also possible to change the relocation of Belarusian start-ups due to the discrepancy between the political views of the main investors or parent organisations. Against the backdrop of political events, the productivity of employees in most enterprises has decreased. According to BICC and *Regis Consult*, this was noted by four of five

respondents (among 270 owners and managers of Belarusian companies). In comparison, the remote work format reduced productivity for only half of the employees.

- **Economic.** A key factor in deciding whether to migrate is appropriateness. During the absence of personal political persecution or business persecution, the main target audience for relocation are companies whose financial activities are largely tied to the export of goods or services to the European market. The most promising sectors in this area are trade and logistics companies, representatives of the IT industry, mechanical engineering, woodworking.

Essential criteria influencing the possibility of transferring the company's activities to Latvia is the presence of foreign offices of the company, in particular, the presence of representative offices in Latvia.

The form of business ownership also imposes a number of restrictions on the ability of enterprises to relocate. State-owned enterprises or companies in which the state is a shareholder are more likely to be unable to emigrate, even if there is a real economic benefit. Accordingly, the main target audience can be fully private enterprises of Belarus only.

According to the *Baltic Course*, 17 Belarusian companies moved to Latvia in the first nine months of 2020, creating a total of 1000 new jobs in Latvia. 15 of them work in the field of information and communication technologies.

- **Environmental factors.** According to a study made by *BICC* and *RegisConsult*, in October 2020, 52% of the surveyed owners and managers of Belarusian companies note the emergence of additional difficulties in finding new projects and clients due to the spread of the impact of the global pandemic on the economy [Figure 33]. Slightly less than half of the respondents did not notice significant changes in the sales process related to COVID-19. The remaining 4% believe it has become easier to attract customers during COVID-19. These companies can be characterised by a small number of employees, a relatively long existence in the market, as well as work in outsourcing.

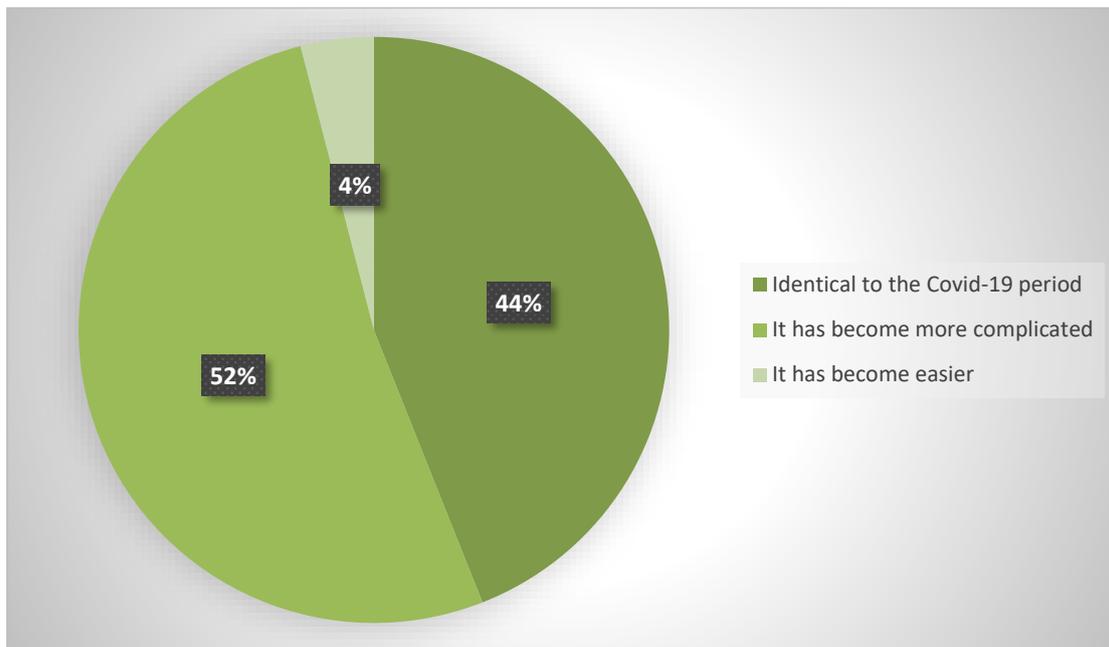


Figure 33: Attracting clients and finding projects during COVID-19. The source: BICC and RegisConsult²⁶⁰

Opinions on performance were almost equally divided: 41% rated the remote work format as slightly detrimental to performance, and 42% said that performance has not changed.

- **Socio-cultural and legal.** Over the past few months, Belarus has been operating in conditions of legal default and the absence of a fair judicial system. In this connection, in order to minimise risks for their own business, companies are forced to withdraw their own assets to countries that are more prosperous from a legal point of view. This trend mainly affected companies with foreign ownership, however, also a part of the Belarusian business were influenced. Including them, the companies working in the social and cultural sphere, civil initiatives, media representatives, legal and consulting companies. Private companies, with government customers as their key clients, also bear heightened risks to business operations.

There are frequent cases of making a decision on relocation due to the use of illegal administrative or criminal prosecution against managers or top management of companies.

²⁶⁰ Развитие грузопотоков между республикой Беларусь и Латвийской республикой. Углубленный анализ Белорусского бизнеса на предмет релокации в Латвию”, Маркетинговое исследование, „Aser”, Беларусь, 2020, Р. 43.

- **Technological.** These factors are primarily associated with the unavailability of certain technologies, equipment, or personnel required for effective functioning. However, due to the underdevelopment of the Belarusian economy, there is also the opposite situation with the lack of necessary target sales markets. This situation is primarily typical for start-ups, or Belarusian high-tech industries. Depending on their characteristics and motivations, the conceptual portrait of the target audience of business migration from Belarus to Latvia can be divided into two groups:

- **Political relocation.** The main motivators for this type of relocation – popular in the second part of 2020 - are political, socio-cultural, and legal factors. A distinctive feature is the fact that market players, in this case, are ready to incur a number of serious economic costs. Besides, they are also guided by the goals of personal safety and business preservation, rather than maximising their own profits. For attracting this business segment, the key factors of success are the prompt response rate of the receiving party, minimisation of bureaucratic relocation procedures, conditions of preferences or support for the business.

7.7. Conclusions

The biggest freight villages in Europe are concentrated in Italy and Germany. There is only one freight village among them in Central or Eastern Europe. Therefore, the closest freight villages to Latvia are in Poland and Russia. However, the ports around the BSR also offer a lot of services and opportunities usually offered by freight villages.

Latvia has already started to attract Belarusian companies. Besides more than 10 enterprises are already relocated to Latvia or are on their way. Therefore, probably, the Freeport of Ventspils should collaborate with IDAL making and realising one programme strategy. Also, the Freeport of Ventspils must be specialised in attracting companies that work in one or a couple of fields. In other words, there must be specialisation. As the most promising fields one can mention photonics, smart materials, IT, biotechnologies, woodworking, chemical production, and others. According to a survey done in Belarus, the companies working in different fields are interested to relocate to the Freeport of Ventspils.

However, one must keep in mind that in the competition for the attraction of Belarusian companies, the Freeport of Ventspils and Latvia, in general, must compete with Russia, Ukraine, Poland, and Lithuania. The Freeport of Ventspils can attract the Belarusian companies by its quality infrastructure, availability of labour force, free and simple access to the European market, free territories for development and manufacturing. As opportunities, one can mention the attraction process and experience of Belarusian companies that have already started and the potential privatisation of state companies in the next years. Therefore these companies could be open to making their branches in other countries, including, Latvia.

However, the Freeport of Ventspils has several weaknesses and threats in a stronger connection with Belarus. Including, geographical factors, distance from Rail Baltica, and strong competition with the port of Klaipeda.

8. Recommendations

The chapter on recommendations is divided into three parts. The first one observes the potential of the Belarus-Latvia-Sweden corridor. The second one points out and observes the industries and companies willing to relocate and work in the Freeport of Ventspils and the third one mentions and offers the ways how to attract the Belarusian companies to relocate to Ventspils and Swedish companies to work in Ventspils. The recommendations are based on the statistics obtained in the study, responses given by Belarusian companies and opinions, and recommendations given by experts.

8.1. The potential of Belarus-Latvia-Sweden Corridor

The potential of the Belarus-Sweden-Latvia corridor depends both on economic and political factors. Economically the corridor can become a significant gateway from Asia, Belarus, Russia, and CIS to Scandinavia and Western Europe. Politically the current diplomatic relationship between Latvia, Belarus and Russia allows to stress the benefits of the Belarus-Sweden-Latvia corridor. Economically, there is a potential for growth, since the Freeport of Ventspils has a geographically convenient location, well-developed infrastructure, experience, and high-level specialists. Nevertheless, one must keep in mind the competition, mainly from the port of Klaipeda and the Freeport of Riga. Politically, it is important to note that the relationships between Latvia and Belarus create a strong impact on decisions in economy and transit.

Two-thirds of the freight transport from Sweden are concentrated to the five major North European transport corridors and one of these corridors is between the Eastern Europe and the Baltic Sea coast. The port of Nynäshamn as a part of the port of Stockholm is one of the closest points in Sweden to the Freeport of Ventspils and thus also this corridor. The port of Visby in Gotland has even a closer location but since it is located on the island of Gotland there are remarkably less connections with other Swedish cities as there are in Nynäshamn and more modal shifts are necessary.

Geographical proximity is not the only reason why the port of Nynäshamn is a favourable partner for the Freeport of Ventspils. Also, the region of Stockholm is highly economically developed and densely populated with the largest consumer

market in Sweden. Finally, the port of Nynäshamn is the hub for the distribution of commodities around Sweden, Scandinavia, and the Western Europe.

Therefore, the connection – the Freeport of Ventspils and the port of Nynäshamn – is already a direct, fast, and cost-effective route. It allows reaching not only the Swedish and Scandinavian but also the Western market. The port of Nynäshamn is connected to other main corridors of the transit and freight in Sweden.

Major bottlenecks in transit of goods are political, bureaucratic and physical. Obvious bottlenecks exist throughout the Sweden – Latvia – Belarus corridor due to the shift in transport mode on both sides of the Baltic Sea. Political bottlenecks exist with the current diplomatic challenges between the European Union and its Eastern neighbours. Bureaucratical bottlenecks are obvious when import or export from European Union is considered, but they are not found significant within this research.

The potential of the cargo flow and the general development perspective of the Sweden – Latvia – Belarus corridor outweighs the bottleneck effect of the ports. The opportunity to specialise and improve the excellence of services is also in favour of investing resources to overcome the existing bottlenecks. For further improving the efficiency of the Belarus – Latvia – Sweden transport corridor the following guidelines are recommended:

1. The Freeport of Ventspils should review the competitiveness of its tariffs in the Baltics. They should be more convenient than the ones provided by competitors.
2. The Freeport of Ventspils must push for the introduction of the electronic bill of lading system in the light of the EFTI regulation, which will be mandatory for logistics industry starting in the near future.
3. The airport of Ventspils characterises the Freeport of Ventspils as a diverse transport hub and potential freight village. Consequently, the airport could be used in transporting different kinds of commodities or ensuring business passenger flow. The opportunity and skills to offer this service must be included also in the marketing and communication activities.

4. The Freeport of Ventspils must gain deeper insight on the development plans of the business centre *Great Stone* in Minsk, Belarus. The Freeport of Ventspils must attract the Chinese companies working in Belarus by specific and targeted marketing, and communication activities. It is of highest importance to discuss with Latvian officials about easier customs clearance on Latvian borders for the Chinese commodities on the way from Belarus to Sweden.
5. A locally owned container terminal and well-developed rail network to Ventspils with a link to *Rail Baltica* would help grow the size and frequency of the container cargo via Ventspils.
6. The Freeport of Ventspils must stress the advantages of cargo transported by rail. Latvian railway infrastructure is one of the competitive advantages compared to Lithuania, Port of Klaipeda.
7. Transparent and clear principles of cooperation must be communicated with the potential business partners.
8. Additionally, the potential development of a freight village in the Ventspils Port can serve as a magnet for the attraction of the international companies.
9. Finally, the development and the future of the Belarus – Latvia - Sweden corridor will also be facilitated by attracting the Belarusian companies. That would ensure regular cargo flow.

8.2. The industries and companies willing to expand or relocate of the Freeport of Ventspils

Currently, the Freeport of Ventspils ensures the opportunity for companies from various industries to work in its territory. The Freeport of Ventspils and the city of Ventspils can thus also offer the infrastructure and space for various Belarusian enterprises to potentially relocate or expand their operation and for various Swedish enterprises to extend their activities.

The research shows that the biggest interest in the relocation to other countries is expressing Belarusian companies working in the field of technologies. However, the infrastructure and territory are appropriate also for the companies in other fields as well.

According to the survey of 270 Belarusian companies and statistics provided by various governmental institutions the following industries can be targeted to expand their operation or relocate (see Chapter [7.4](#) for additional information):

1. The most favourable sectors of Belarusian business for relocation to the Freeport of Ventspils are 1) woodworking, 2) high-tech, ICT innovations, start-ups, 3) Belarusian companies working on an international scale willing to open their branches;
 - 1.1. According to statistics, the wood industry is one of the main fields exporting their products to Scandinavia. Thus, the companies working in this sector can create their branches in the territory of the Freeport and manufacture the products according to EU standards. This will also help companies avoid privatisation, which is foreseen in Belarus in a few years. Consequently, the Freeport of Ventspils must be ready to start discussions with these companies who work in government-controlled sectors.
 - 1.2. Belarus is rich in promising high-tech and start-up companies. More than 10 of them have already relocated to Latvia, mainly to Riga. But contrary to most Latvian cities and territories, the Freeport of Ventspils can offer not only favourable and predictable state policy and easy registration of companies but also suitable infrastructure. Companies, like those ones that work on an international scale willing to open their branches, would be interested to operate in Ventspils also because of geographical proximity to Scandinavia.
 - 1.3. According to the study, four new companies are ready to discuss the chance to move to the Freeport of Ventspils: *OOO Daber* (woodworking), *ODO Anadimtur* (transport, tourism), *OOO Energokomplekt* (electrical), and *Vitebsk Elevators* (mechanical engineering).
2. Apart from that, wood chips are the perfect candidate for Scandinavian import from Ventspils as a classic port operations platform. All necessary infrastructure is there to accommodate this commodity now and to push for the export flow of wood chip reallocation to Ventspils. Recent data shows that there are now lots of (about nine) wood pellet production plants launched (or to be launched in the closest time) which will generate over 1 million tons of

wood pellets. Wood pellets require hopper wagon operations and allocation of cargoes in closed warehouses. In theory this can be accommodated by a large terminal such as *Kalija Parks* provided that the shareholders of *Kalija Parks* see it as a sufficient reason to restock or switch from potassium salt to wood pellets. No free warehouses in the Freeport of Ventspils available now for the allocation of wood pellet projects. In general, the territory of the Freeport which is far away from the deep-water berths, can be utilised as private warehouses for wood pellet allocation. This will require railway access roads for hopper wagon operations, and carriers to invest in warehouses and to conclude agreements with any terminal which is capable of handling wood chips in bulk (*VTO / NNVT / Ventplac / EUROHOME*).

3. One of the most promising Belarusian industries in Latvia could also be potash. Contrary to the sectors mentioned above the Freeport of Ventspils and Belarus have had a huge and long-term experience in working together in this field. Therefore, both sides know each other. In order to strengthen the ties, the Freeport of Ventspils can offer to make this cooperation even deeper by selling one of its terminals to a Belarusian company, in part or whole. Another option is to utilise new potassium salt volumes which are to be developed in Belarus as a potential candidate for stevedoring operations in the Freeport of Ventspils. Especially now when the political situation with Lithuania is worsening. The only challenge for Ventspils is the absence of container lines, which can be a great drawback considering that large volumes of cargoes are leaving the port not in bulk carriers, but in containers. The current container terminals in Ventspils have enormous potential, and another advantage is the closeness to the main container routes to/from St. Petersburg where any carrier passing the Freeport of Ventspils on the Baltic route can enter the port to deliver empty containers and pick up laden ones. This gives hope that this extra service element can easily be added to potassium salt transshipment.
4. The food industry is not included in list of promising fields. There are no significant volumes of food exported from Belarus to Sweden. Moreover, there is no sign that there is an interest in the Belarusian food in Scandinavia or Western countries. However, the fish industry is one of the main import

sectors from Scandinavia to Belarus, but one must keep in mind that these products mostly are provided for the Russian market. Because of the international sanctions, the fish products are exported to Russia from Scandinavia through Belarus. There is also a great potential of *Girteka* freezer warehouse usage in Ventspils assuming this does not interfere with sanitary/veterinary norms for carriages of frozen fish products to CIS countries. This option should be addressed to Norwegian and Swedish fish producers and exporters. Maybe this can be an option to streamline and make deliveries of food products faster / more available.

5. The petroleum and chemicals industry also is among the ones with potential. Liquid petrochemical material handling in the Freeport of Ventspils is one of the best in the Baltics, thus some end-product processing companies can be looked upon as possible candidates for reallocation. A good example can be seen with BioVenta using its shareholder terminal capacities for BioDiesel production means. Several territories are located next to a chemical cluster of Ventspils, which could accommodate more petrochemical plants related to Sweden/ Norway.
6. Companies from Sweden representing tech fields can also operate in the Freeport of Ventspils. According to statistics shown previously, one of the main commodities imported to Belarus are machinery and mechanical appliances. Therefore, companies working in these fields could open their branches in Ventspils. Moreover, since Belarus has a developed high-tech industry, Ventspils potentially could become the crosspoint for the Belarusian and Swedish high-tech companies.
7. Those Swedish companies working in the wood sector or using wood as a raw material could be interested to work in Ventspils because one of the most popular products transported to Sweden from Belarus is wood.

Particular commodities with the highest development potential are the ones that are already transported between Belarus and the Port of Nynäshamn via Port of Ventspils most frequently (see Chapters [3.1](#) and [6.5](#) for additional information). During the four weeks in November and December 2019 and July and August 2020 the most popular

commodities sent from Belarus to the port of Nynäshamn through the Freeport of Ventspils were:

- furniture,
- building materials,
- windows,
- metal and plastic/rubber.

In the opposite direction, the most popular commodities sent from the port of Nynäshamn in Sweden to Belarus through the Freeport of Ventspils were:

- fish,
- sodium chlorate,
- paper and metal.

First of all, the data on particular commodities reveals the potential for an industrial park or freight village focused on wood products, as well as the further potential of existing bulk terminals. A freight village with focus on wood products would help add value to the timber coming from Belarus and the Baltics, serve as a logistics and distribution centre for Swedish and other European companies, and most importantly serve as a magnet for a cluster-like development of wood industry in Ventspils.

Secondly, at this moment, the Freeport of Ventspils must concentrate on such fields as high-tech, IT, start-ups. This recommendation is based on the following arguments: 1) the companies working in these sectors either have already relocated to Latvia or expressed a wish to relocate; 2) these companies are pessimistic about the development of business in Belarus which strengthens their wish to relocate; 3) these companies are more flexible not only to relocate but also to cooperate on an international level and offer potentially very competitive products, thus they could have a long-term vision to work in Latvia and employ the local workforce; 4) contrary to other regions in Latvia, the Freeport of Ventspils can not only offer economic stability but also the high-quality infrastructure that is an important criterion for relocating technological companies.

8.3. The ways how to attract Belarusian and Swedish companies

Since the political crisis in Belarus in [2020], IDAL is purposefully working on making contacts with different kinds of enterprises creating interest among them to relocate to Latvia. Consequently, at the beginning of [March 2021], more than 10 Belarusian companies have already relocated to Latvia or are in the process of expanding their businesses.

According to a survey conducted within the research, a significant number of Belarusian companies are ready to completely or partially relocate to another country. However, Latvia is not the only country that tries to attract Belarusian business. Poland, Lithuania, Russia, and Ukraine also are among the countries where the companies would be ready to operate.

Therefore, IDAL has already made a serious effort to create an interest in Latvia within the Belarusian business society. Since IDAL has a track record in cooperating with Belarus and experience in attracting Belarusian companies, the Freeport of Ventspils should cooperate with IDAL and coordinate its activities with the plan of action created and realised by IDAL. Thus, the recommendations provided for the Freeport of Ventspils are partly connected with the work already carried out by IDAL and common Latvian policies.

Concerning Swedish companies, it is important to attract them by promoting their branches in Ventspils. The main attention is going to be paid to the companies that work in such fields as wood, manufacturing of products using the wood as a raw material, and high-tech/machinery.

1. Since the Freeport of Ventspils and IDAL are pursuing the same objectives, both institutions must cooperate with each other in sharing the information and experience and performing joint activities, thus helping each other. IDAL already has significant experience in discussions with Belarusian companies, therefore after acquiring this experience, the activities of the Freeport of Ventspils will be more precise and productive;
2. The activities done by the Freeport of Ventspils must be precisely targeted to specific areas. The survey carried out within the research shows that

companies working in such sectors as ICT and high-tech are more interested to expand or relocate to other countries. Also, the current experience in Latvia shows that exactly ICT and high-tech companies, e.g. the ones working in photonics, are ready to relocate. At the same time, the Freeport of Ventspils and VHTP have already proven their competence in working with high-tech companies. Thus, the Freeport of Ventspils should target potential Belarusian and Swedish cooperation partners by promoting not only its freeport territory but also the stability of policies in economics and cultural similarities.

3. All potential investors and enterprises from Belarus and Sweden must be addressed directly by the Freeport of Ventspils, via videos on social networks, and by participating in various social events, even if they are in digital or interactive format and environment.
4. Targeting is also necessary for the development of competition with the Freeport of Riga, Port of Liepaja, Port of Klaipeda, and Port of Tallinn. The Freeport of Ventspils must stress not only its experience but also its high level and versatile infrastructure and professionalism of its experts.
5. The Freeport of Ventspils must also highlight its connectivity with the Swedish port of Nynäshamn emphasising the link with Scandinavia and Europe, thus presenting itself as a serious competitor vs. the lines Liepaja-Travemunde and Klaipeda-Karlshamn, provided by the port of Liepaja and the port of Klaipeda respectively.
6. The Freeport of Ventspils should create a programme specifically targeted for Swedish and Belarusian investors who would be ready and willing to acquire land or facilities in the port territory. This way the Freeport of Ventspils gains a long-term investor and partner who is interested in the development of the Freeport. These companies could work in the fields of woodworking or could be branches of some foreign companies willing to get into a Baltics market.
7. Since Ventspils is geographically close to Scandinavia, the Freeport of Ventspils could serve Belarusian enterprises as a gate to other regions both geographically and economically, because transportation costs from Belarus to Latvia disappear. Besides, the attraction of long-term investors and

cooperation partners could become a broad step towards the idea and aim to create a powerful transportation hub or freight village in BSR.

8. Finally, by using the marketing and communication activities and possibly cooperating with IDAL, the Freeport of Ventspils can also attract companies outside of the EU, which are willing to get into the markets of Belarus, CIS, and Eastern Europe. For those companies and their branches the Freeport of Ventspils could become a gateway to Eastern Europe and CIS.

To summarise, the Freeport of Ventspils must coordinate its activities with IDAL since the agency has already done a huge job in communicating and collaborating with Belarusian and Swedish companies. Therefore, the Freeport of Ventspils is not supposed to start from zero. Latvia and especially Ventspils has several advantages that could be interesting for the aforementioned partners: stability in economy and politics, membership in the EU and other international organisations, cultural closeness, geographical closeness both to Belarus and Scandinavia, and specifically, in Ventspils: the status of a special economic zone, versatile infrastructure and experts and experience in working with foreign investors and businesses. The Belarusian and, also Swedish, companies could be reached via special activities matched with IDAL, i.e. marketing activities on social networks and personal addresses to companies.

Appendix 1. Overview of the volume of cargo carried by LDZ CARGO from Belarus to Latvian ports (thsd. t)

| Port | Year | Total weight | Grains and grain processing products, fruits and seeds | Coal and wood | Petroleum products | Chemical loads | Fertilizers | Timber | Metals and ferro-alloys | Other cargo | Freight containers | Number of containers (TEU) |
|----------------------------------|-----------------|--------------|--|---------------|--------------------|----------------|-------------|--------|-------------------------|-------------|--------------------|----------------------------|
| <i>The Freeport of Riga</i> | 2020 (9 months) | 856,19 | 12,09 | 1,04 | 585,05 | 15,15 | | 237,63 | 0,33 | 4,91 | 12,54 | 799 |
| | 2019 | 2076,65 | 29,89 | 3,02 | 1585,47 | 12,59 | | 426,94 | 0,46 | 18,28 | 23,93 | 1378 |
| | 2018 | 2530,40 | 21,75 | | 1960,77 | 18,72 | | 424,45 | 0,02 | 104,70 | 30,57 | 1916 |
| | 2017 | 2289,33 | 2,33 | | 2140,87 | 13,27 | | 65,55 | | 67,27 | 27,45 | 1758 |
| | 2016 | 3412,26 | 0,78 | | 3091,29 | 66,79 | | 156,94 | 2,03 | 94,44 | 20,32 | 1262 |
| | 2015 | 4967,32 | 2,05 | | 4346,07 | 366,43 | 0,39 | 89,31 | 0,13 | 162,94 | 27,23 | 1229 |
| <i>The Freeport of Ventspils</i> | 2020 (9 months) | 1117,30 | | | 1096,35 | 2,19 | | 18,77 | | | | |
| | 2019 | 2037,15 | 2,70 | 0,06 | 1972,29 | 27,98 | | 29,95 | | 4,16 | 1,83 | 78 |
| | 2018 | 3410,67 | | 0,33 | 3174,56 | 214,31 | | 21,47 | | | | |
| | 2017 | 3121,92 | | | 2995,71 | 126,14 | | | | 0,06 | 0,35 | 16 |
| | 2016 | 1977,54 | | | 1904,77 | 72,78 | | | | | | |
| | 2015 | 2614,86 | 0,24 | | 2371,41 | 238,81 | | | | 4,40 | | |
| <i>The port of Liepaja</i> | 2020 (9 months) | 277,40 | 14,24 | | 2,87 | 16,89 | 0,11 | 212,78 | 0,19 | 30,31 | | |
| | 2019 | 304,36 | 2,82 | 0,07 | 2,61 | 1,96 | 9,52 | 262,98 | 1,80 | 22,61 | 0,06 | 28 |

| <i>Port</i> | Year | Total weight | Grains and grain processing products, fruits and seeds | Coal and wood | Petroleum products | Chemical loads | Fertilizers | Timber | Metals and ferro-alloys | Other cargo | Freight containers | Number of containers (TEU) |
|-------------|-------------|---------------------|---|----------------------|---------------------------|-----------------------|--------------------|---------------|--------------------------------|--------------------|---------------------------|-----------------------------------|
| | 2018 | 188,08 | 4,44 | | 15,48 | | 0,55 | 150,71 | 0,14 | 16,77 | 0,03 | 12 |
| | 2017 | 157,63 | | 15,91 | 64,79 | | 0,41 | 76,29 | | 0,23 | 0,23 | 88 |
| | 2016 | 162,13 | 0,44 | | 33,00 | | 0,44 | 126,24 | | 2,00 | 0,01 | 6 |
| | 2015 | 204,80 | 16,24 | | 54,58 | | 0,93 | 128,45 | | 4,60 | | |

Appendix 2. Overview of the main ports in Baltics and the port of Nynäshamn/Norvik in Sweden

| PORT | Ventspils²⁶¹ | Riga²⁶² | Liepaja²⁶³ | Klaipeda²⁶⁴ | Tallinn²⁶⁵ | Nynäshamn²⁶⁶/Norvik²⁶⁷ |
|---|--------------------------------|---------------------------|------------------------------|-------------------------------|--|---|
| <i>Area (hectares)</i> | 2451 | 1962 | 1182 | 557 | 794 | No information |
| <i>Total length of piers (km)</i> | 11 | 18 | 10 | 25 | 16 | 0,57 |
| <i>Number of piers</i> | 57 | 121 | 80 | 152 | 85 | 3 |
| <i>maximum draft in port (meters)</i> | 15 | 16 | 11 | 13.8 | 18 | 9 |
| <i>Volume of cargo transhipped at the port (2019) (bulk cargo, liquid cargo, container cargo, ro-ro) mln. t</i> | 20,45 | 32,76 | 7,34 | 46.26 | 19.93 | 9.3 (The port of Stockholm) |
| <i>Number of sea terminal operators</i> | 15 | 46 | 15 | 15 | Muuga 18 Paldiski 6 Paljassaare 2 Vanasadam 2 | 1 |
| <i>Connectivity Number of regular connections (distribution of ro-ro and container cargo)</i> | 1 | 9 | 1 | 18 | 20 | 3 |
| <i>Railway with the width of 1520 mm</i> | YES | YES | YES | YES | YES | NO |

²⁶¹ The freeport of Ventspils, <https://www.portofventspils.lv/lv/>

²⁶² The freeport of Riga, <https://rop.lv/en>

²⁶³ The port of Liepaja, <https://liepaja-sez.lv/lv>

²⁶⁴ The port of Klaipeda, <https://www.portofklaipeda.lt/>

²⁶⁵ The port of Tallinn, <https://www.ts.ee/en/>

²⁶⁶ The port of Nynäshamn, <https://www.portsofstockholm.com/nynashamn>

²⁶⁷ The port of Stockholm Norvik <https://www.portsofstockholm.com/stockholm-norvik/container-terminal/>

| PORT | Ventspils²⁶¹ | Riga²⁶² | Liepaja²⁶³ | Klaipeda²⁶⁴ | Tallinn²⁶⁵ | Nynäshamn²⁶⁶/Norvik²⁶⁷ |
|---|---|---|--|--|---|---|
| <i>The distance until the border with Belarus by highway (border crosspoint of Paternieki and Silene)</i> | Paternieki: 477 km Silene: 430 km | Paternieki: 295 km Silene: 243 km | Paternieki: 499 km Silene: 451 km | Kotlovka: 346 km Kamenny Log: 341 km Benyakoni: 353 km Privalka: 352 km | No direct boarder Paternieki: 543 km | No direct border with Belarus, closest boarder is through Latvia |
| <i>The connectivity with the Rail Baltica</i> | First point of connection in 190 km | YES, direct proximity connection | First point of connection in 217 km, | First point of connection in 215.4 km | YES, direct proximity connection | No direct connectivity with Rail Baltica. |
| <i>The plans of new terminals and storages</i> | The Freeport of Ventspils Authority has extended the area between the motor and rail bridges, where two universal terminals have been built. According to the North Port project, future plans include the expansion of the port towards the sea. An area slightly above 100 ha is currently allocated for the development of the North Port, and it has the potential to be extended into the sea to the north of the existing port areas. | Free Territories for Business Operation 568 ha of free territories are available for the development of new projects in the Freeport of Riga. Investors and project developers are offered land plots on the right bank of the Daugava – in Kundziņsala and Mangalsala, as well as on the left bank of the Daugava - in Spilve and Krievu Island. | «Karosta Industrial Park» 28 land plots with a total territory of 179 623 m2 | Around EUR 483 million are planned to be invested in the expansion of the port of Klaipeda from 2021 to 2024. Most investment will be dedicated to construction and reconstruction projects of the quays and dredging works. | The existing detailed land use plans of Muuga Harbor and Paldiski South Harbor also allow the construction of new berthing places and terminal areas on the reclaimed land, which means that if the need arises, the construction work could start immediately. | All the ports of Stockholm and together with the port of Naantali and the Finnish company Meritaito is participating in the joint EU project Intelligent Sea. The project aims to improve the safety and efficiency of maritime fairways through digitalization. Therefore the fairway data produced by the aids to navigation will be integrated with other fairway and port data by combining several, currently separate, data, and control systems into a single service cloud. One more development plan is together with the port of Turku, City of Turku, the port of Marienhamn, and Viking Line participating in the project EU „NextGen Project”. The aim of the project is Turku-Marienhamn-Stockholm shipping connections with a new LNG vessel and to |

| <i>PORT</i> | Ventspils ²⁶¹ | Riga ²⁶² | Liepaja ²⁶³ | Klaipeda ²⁶⁴ | Tallinn ²⁶⁵ | Nynäshamn ²⁶⁶ /Norvik ²⁶⁷ |
|--|---|--|--|--|--|---|
| | | | | | | involve into the infrastructure of the ports a new intelligent transport system making the terminal operations and traffic control more efficient |
| <i>Industrial parks and the opportunities of development</i> | The Freeport of Ventspils – territories for manufacturing equipped with all access infrastructure (electricity/ access roads): over 500 ha Infrastructure and service support of the VHTP Business Incubator at the business start-up phase, including the pre-incubation period. | Spilve territory development- over 450 ha free space which in future will be connected with “Rail Baltica” | <ul style="list-style-type: none"> - LSEZ "LAUMA FABRICS" SIA 10 000.00 m2 - LSEZ Ltd. “Vecās Ostmalas Biznesa Parks” 4 373 m2 - «Meldru Street industrial Park» - Other free space territories which in total gives 722876 m2 | Industrial Park “Westgate“ is strategically located near port city Klaipeda. Covering the area of 170 ha, it is one of the largest territories for greenfield investments in Lithuania | Muuga Industrial&Logistics Park, Paldiski South Harbour Industrial & Logistics Park, Saaremaa Logistics Park | No industrial parks and information about the development in Nynäshamn |

Appendix 3. The transport companies licensed in Latvia that operate at least 51 vehicle

| <i>Name of the company</i> | <i>Address</i> | <i>Number of vehicles</i> |
|--|--|---------------------------|
| <i>SIA "DINOTRANS"</i> | Ventas, Rumbula, Stopiņu nov., LV-2121 | More than 200 vehicles |
| <i>SIA "Kreiss"</i> | Bērzlapas 5, Mārupe, Mārupes nov., LV-2167 | More than 200 vehicles |
| <i>SIA "VIKOTRANS"</i> | Višķu iela 2 k-1, Rīga, LV-1063 | More than 200 vehicles |
| <i>AS "DELTA LV"</i> | Jelgavas iela 20, Tukums, Tukuma nov., LV-3101 | 101-200 vehicles |
| <i>SIA "AKATRANS"</i> | Rīgas iela 11A-3, Olaine, Olaines nov., LV-2114 | 101-200 vehicles |
| <i>SIA "Baltic Logistic Solutions"</i> | Liepu aleja 4, Rāmava, Ķekavas pag., Ķekavas nov., LV-2111 | 101-200 vehicles |
| <i>SIA "Clean R"</i> | Vietaļvas iela 5, Rīga, LV-1009 | 101-200 vehicles |
| <i>SIA "Heisterkamp Transport Latvija"</i> | Pakalniņu iela 4, Tīraine, Mārupes nov., LV-2167 | 101-200 vehicles |
| <i>SIA "SAHO"</i> | Viļakas iela 1B, Rēzekne, LV-4604 | 101-200 vehicles |
| <i>SIA "Samskip"</i> | Skanstes iela 50, Rīga, LV-1013 | 101-200 vehicles |
| <i>SIA "Transport Partners"</i> | Brīvības gatve 224B, Rīga, LV-1039 | 101-200 vehicles |
| <i>VAS "Latvijas autoceļu uzturētājs"</i> | Krustpils iela 4, Rīga, LV-1073 | 101-200 vehicles |
| <i>AS "CATA"</i> | Jāņa Poruka iela 8, Cēsis, Cēsu nov., LV-4101 | 101-200 vehicles |
| <i>AS "LIEPĀJAS AUTOBUSU PARKS"</i> | Cukura iela 8/16, Liepāja, LV-3414 | 101-200 vehicles |
| <i>AS "NORDEKA"</i> | Dzirnciema iela 121, Rīga, LV-1055 | 101-200 vehicles |
| <i>SIA "Rīgas mikroautobusu satiksme"</i> | Viskaļu iela 13, Rīga, LV-1026 | 101-200 vehicles |
| <i>AS "A.C.B."</i> | Ziepiņkalna iela 21a, Rīga, LV-1004 | 51-100 vehicles |
| <i>Kim Johansen Transport SIA</i> | Smaidu iela 1, Dreiliņi, Stopiņu nov., LV-2130 | 51-100 vehicles |
| <i>Omniva SIA</i> | Dzirnieku iela 24, Mārupe, Rīga, Mārupes nov., LV-2167 | 51-100 vehicles |
| <i>SIA "ADRIA ORBITA"</i> | Alejas, Mežāres, Babītes pag., Babītes nov., LV-2101 | 51-100 vehicles |

| <i>Name of the company</i> | <i>Address</i> | <i>Number of vehicles</i> |
|-----------------------------------|--|---------------------------|
| <i>SIA "ALVOS"</i> | Višķu iela 2 k-1, Rīga, LV-1063 | 51-100 vehicles |
| <i>SIA "ASMENS & KO"</i> | Stiebru iela 24, Jelgava, LV-3001 | 51-100 vehicles |
| <i>SIA "BCL Services"</i> | Pīpeņu iela 10-31, Rīga, LV-1058 | 51-100 vehicles |
| <i>SIA "Eco Baltia vide"</i> | Getliņu iela 5, Rumbula, Stopiņu nov., LV-2121 | 51-100 vehicles |
| <i>SIA "EIDZ transports"</i> | Līgo iela 16, Koknese, Kokneses pag., Kokneses nov., LV-5113 | 51-100 vehicles |
| <i>SIA "ĒRGLIS & KO"</i> | Stagaru iela 4-47, Rīga, LV-1016 | 51-100 vehicles |
| <i>SIA "EXPAND"</i> | Rītausmas iela 23, Rīga, LV-1058 | 51-100 vehicles |
| <i>SIA "FRELON"</i> | Mazjumpravas iela 78, Rīga, LV-1063 | 51-100 vehicles |
| <i>SIA "HEAD"</i> | Jūrkalnes iela 15, Rīga, LV-1046 | 51-100 vehicles |
| <i>SIA "Hegelmann transporte"</i> | Rītausmas iela 23, Rīga, LV-1058 | 51-100 vehicles |
| <i>SIA "IR AUTO"</i> | Mēmeles iela 10 k-3-30, Bauska, Bauskas nov., LV-3901 | 51-100 vehicles |
| <i>SIA "JANA-S"</i> | Kalna iela 3-2, Gulbene, Gulbenes nov., LV-4401 | 51-100 vehicles |
| <i>SIA "Kravas Auto"</i> | Līvcieņa iela 9 k-2-36, Rīga, LV-1058 | 51-100 vehicles |
| <i>SIA "KREDO FH"</i> | Lielvārdes iela 107-44, Rīga, LV-1084 | 51-100 vehicles |
| <i>SIA "LARS PRIM"</i> | Jaunieši, Saurieši, Stopiņu nov., LV-2118 | 51-100 vehicles |
| <i>SIA "M3"</i> | Nometņu iela 49-49, Rīga, LV-1002 | 51-100 vehicles |
| <i>SIA "MGM TRANSPORT"</i> | Getliņu iela 7A, Rumbula, Stopiņu nov., LV-2121 | 51-100 vehicles |
| <i>SIA "PALLOGS"</i> | Brīvības iela 4B, Ogre, Ogres nov., LV-5001 | 51-100 vehicles |
| <i>SIA "PRIZMA"</i> | Valdeķu iela 1, Rīga, LV-1004 | 51-100 vehicles |
| <i>SIA "RIOLS"</i> | Aptiekas iela 14 - 23, Rīga, LV-1005 | 51-100 vehicles |
| <i>SIA "SENANS"</i> | Gaujas iela 26 k-1, Vangaži, Inčukalna nov., LV-2136 | 51-100 vehicles |
| <i>SIA "TSL Logistic"</i> | Ganību dambis 26, Rīga, LV-1005 | 51-100 vehicles |

| <i>Name of the company</i> | <i>Address</i> | <i>Number of vehicles</i> |
|--|---|---------------------------|
| <i>SIA "VITNA"</i> | Pūces iela 53 - 17, Rīga, LV-1082 | 51-100 vehicles |
| <i>SIA FIRMA "MIANDUM"</i> | Mednieku iela 4, Ciemupe, Ogresgala pag., Ogres nov., LV-5041 | 51-100 vehicles |
| <i>Rīgas Taksometru parks AS</i> | Skanstes iela 4 k-1, Rīga, LV-1013 | 51-100 vehicles |
| <i>AS "Daugavpils satiksme"</i> | 18. novembra iela 183, Daugavpils, LV-5417 | 51-100 vehicles |
| <i>SIA "Daugavpils autobusu parks"</i> | Kārklū iela 24, Daugavpils, LV-5403 | 51-100 vehicles |
| <i>SIA "Jēkabpils autobusu parks"</i> | Akurāteri, Salas pag., Salas nov., LV-5230 | 51-100 vehicles |
| <i>SIA "JELGAVAS AUTOBUSU PARKS"</i> | Meiju ceļš 62, Jelgava, LV-3007 | 51-100 vehicles |
| <i>SIA "NORMA-A"</i> | Prāgas iela 1, Rīga, LV-1050 | 51-100 vehicles |
| <i>SIA "TUKUMA AUTO"</i> | Mednieku iela 2, Tukums, Tukuma nov., LV-3101 | 51-100 vehicles |
| <i>SIA "VTU VALMIERA"</i> | Brandeļi, Brandeļi, Kocēnu pag., Kocēnu nov., LV-4220 | 51-100 vehicles |

Appendix 4. The TOP20 freight villages in Europe

| Nr. | Company | Country | Website |
|-----|--------------------------------------|---------|--|
| 1. | <i>Interporto Verona</i> | Italy | https://www.quadranteeuropa.it/ The company points out that the freight village serves as a place that connects traffic from central and north Europe and traffic to and from France, Spain, and Eastern European countries. Besides this is the crosspoint of air, road, and railways. Over seven million tons of goods transit in the <i>Interporto Verona</i> by rail and 20 million tons by road. |
| 2. | <i>GVZ Bremen</i> | Germany | https://www.wfb-bremen.de/en/page/bremeninvest-start The freight village of <i>GVZ Bremen</i> includes aeronautics and space industries, automotive industries, food beverage, maritime industry and logistics, wind energy, and other fields. Also one can find there business parks and industrial estates, commercial property/real estate, etc. |
| 3. | <i>GVZ Nürnberg</i> | Germany | https://www.gvz-org.de/de/g%C3%BCterverkehrszentren/n%C3%BCrnberg/ <i>Deutsche GVZ-Gesellschaft mbH</i> (DGG) supports the cooperation of Freight Villages (GVZ). Typical fields of collaboration are intermodal transport (new transport chains between GVZ), implementation of a logistics-oriented service spectrum in GVZ, intensification of GVZ location marketing and harmonisation of service standards, development of sustainable models for development and operation of GVZ. GVZ Nürnberg is working with different kinds of innovations: digitalization, electromobility, and autonomous driving. |
| 4. | <i>GVZ Berlin Süd Großbeeren</i> | Germany | https://www.gvz-org.de/de/g%C3%BCterverkehrszentren/berlin-s%C3%BCd-gro%C3%9Fbeeren/ <i>Deutsche GVZ-Gesellschaft mbH</i> (DGG) supports the cooperation of Freight Villages (GVZ). Typical fields of collaboration are intermodal transport (new transport chains between GVZ), implementation of a logistics-oriented service spectrum in GVZ, intensification of GVZ location marketing and harmonisation of service standards, development of sustainable models for |

| Nr. | Company | Country | Website |
|------------|---------------------------------|----------------|--|
| | | | <p>development and operation of GVZ.</p> <p><i>GVZ Berlin Süd Großbeeren</i> is working with different kinds of innovations: digitalization, electromobility, and autonomous driving.</p> |
| 5. | <i>Plaza Logistica Zaragoza</i> | Spain | <p>http://www.plazalogistica.com/</p> <p>Plaza is an intermodal transportation centre with a concentration of high-quality plots, railway terminal, kilometer zero airports (passengers and goods, 3rd for cargo in the country), and connections with some of the main motorways in the centre and north of the Peninsula, such as the A2 (Madrid-Barcelona), A68 (Basque Country-Aragon toll road) and the A23 (Mudéjar motorway).</p> |
| 6. | <i>Interporto Nola Campano</i> | Italy | <p>https://www.interportocampano.it/en/home-en/</p> <p>An international freight hub, it is one of Europe's main intermodal logistics facilities providing a combined transport system (rail, road, air, and sea), integrating freight storage, transport, and handling. The current surface is occupied by 500,000 m² of warehouses managed by some 200 companies comprising industrial operators, distributors, logistics firms, carriers, and couriers operating internationally. The complex is directly connected to the national and regional road network. It is within easy reach of motorways A16 Naples-Bari, A30 Caserta-Salerno, A1 Milan-Naples, and A3 Salerno-Reggio Calabria.</p> |
| 7 | <i>Interporto Padova</i> | Italy | <p>http://www.interportopd.it/en/</p> <p>Interporto Padova occupies an area of more than 1 million square meters of directly owned land, 240,000 of which for the container terminals and 260,000 for the covered warehouses, which include 18,000 square meters of the cold store. Every year there are more than 5,500 block trains that link Interporto Padova to the main Italian and north European ports.</p> <p>There are also different kinds of activities and services of the multimodal transport operator, logistics, and city logistics.</p> |
| 8. | <i>Interporto Bologna</i> | Italy | <p>https://www.interporto.it/</p> <p>The area – over four million m², three intermodal terminals, 600 000 sq.m covered warehouses. More than 100 companies are working in <i>Interporto Bologna</i>. It is located in an area that is strategic for the flow of goods, as it is positioned between corridor 3 (Mediterranean), Trans-European corridors 5 (Helsinki-LaValletta), and 1 (Baltic –Adriatic seas). It is designed according to the most recent urbanistic criteria to facilitate logistics, movement of goods, work of operators, and environmental sustainability.</p> |
| 9. | <i>GVZ Leipzig</i> | Germany | <p>https://www.gvz-org.de/de/g%C3%BCterverkehrszentren/leipzig/</p> |

| Nr. | Company | Country | Website |
|-----|------------------------------|---------|--|
| | | | <p><i>Deutsche GVZ-Gesellschaft mbH (DGG)</i> supports the cooperation of Freight Villages (GVZ).</p> <p>Typical fields of collaboration are intermodal transport (new transport chains between GVZ), implementation of a logistics-oriented service spectrum in GVZ, intensification of GVZ location marketing and harmonisation of service standards, development of sustainable models for development and operation of GVZ.</p> <p><i>GVZ Berlin Süd Großbeeren</i> is working with different kinds of innovations: digitalization, electromobility, and autonomous driving.</p> |
| 10. | <i>Interporto Parma</i> | Italy | <p>https://www.cepimspa.it/interport/?lang=en</p> <p>The freight village covers an area of over 2.5 million square meters. It is home to about one hundred logistic, shipping and distribution companies.</p> |
| 11. | <i>ZAL Barcelona</i> | Spain | <p>http://www.zalport.com/en-us/who-we-are/port-of-barcelona.html</p> <p><i>ZAL Port</i> is the intermodal logistics platform of the port of Barcelona. Its aim is to attract maritime traffic with services of logistics infrastructure.</p> <p>The <i>Port of Barcelona ZAL</i> is an important platform and logistics model of the Mediterranean. It connects the port of Barcelona, Prat International port, road network, railway, and telecommunications.</p> |
| 12. | <i>Interporto di Torino</i> | Italy | <p>http://www.sitospa.it/</p> |
| 13. | <i>BILK Logistics Centre</i> | Hungary | <p>https://www.railcargobilk.hu/en/about-us</p> <p>It has a direct connection with the significant harbors and terminals of Europe. The extension of the routes can be expected towards the states of the CIS and South-Eastern Europe, thus creating the role of <i>BILK</i> as an eastern-western turning point.</p> <p><i>Rail Cargo Terminal – BILK Ltd. (Budapest Intermodal Logistics Center)</i> is situated in the heart of Central- Eastern Europe, where the <i>Trans European Lines</i> (TEN) cross each other. This is a great opportunity for the logistic center to be the main turning point in this area.</p> |
| 14. | <i>Interporto Novara</i> | Italy | <p>https://www.cimspa.it/</p> |
| 15. | <i>CLIP Logistics</i> | Poland | <p>http://clip-group.com/en/strona-glowna-en-2/</p> |

| Nr. | Company | Country | Website |
|-----|-----------------------------------|---------|---|
| | | | <p><i>CLIP Group logistic center</i> it's a modern A-class warehouse area of 420.000 sqm. Contains intermodal terminal, road transport, and railway transport. The freight village is located at the intersection of 2 corridors (TEN-T): Baltic – Adriatic and the North Sea-Baltic, on the strategic rail route E20 Rotterdam – Moscow, and on the Asia – Europa – New Silk Road Belt.</p> |
| 16. | <i>Delta 3 Dourges</i> | France | <p>http://www.delta-3.com/</p> <p>Tri-modal access to the site (rail /road /waterway), project surface area : 300 hectares, future warehouses surface area: 350 000 m².</p> <p>Inland waterways to the main seaports : Rotterdam, Antwerp, Dunkirk, Zeebrugge.</p> <p>Railway lines with: French cities, Belgium, Netherlands, Spain, Germany, and China.</p> |
| 17. | <i>GVZ Berlin West Wustermark</i> | Germany | <p>https://www.gvz-org.de/de/g%C3%BCterverkehrszentren/gvz-berlin-west-wustermark/</p> <p><i>Deutsche GVZ-Gesellschaft mbH (DGG)</i> supports the cooperation of Freight Villages (GVZ).</p> <p>Typical fields of collaboration are intermodal transport (new transport chains between GVZ), implementation of a logistics-oriented service spectrum in GVZ, intensification of GVZ location marketing and harmonisation of service standards, development of sustainable models for development and operation of GVZ.</p> <p><i>GVZ Berlin Süd Großbeeren</i> is working with different kinds of innovations: digitalization, electromobility, and autonomous driving.</p> |
| 18. | <i>Cargo Center Graz</i> | Austria | <p>http://www.cargo-center-graz.at/</p> <p><i>CCG</i> is the cargo transport center south of the Alps.</p> <p>Major logistic companies profit from warehouse and office accommodation in an area of more than 320.000 m2. Facility management and a wide range of services are offered on-site for CCG clients.</p> <p>Via a neutral logistics platform, <i>CCG</i> provides every-day access to combined transport routes to Koper, Trieste, Neuss, and the Northern Ports (Hamburg, Bremerhaven, Rotterdam, Antwerp) for its partners and leaseholders.</p> |

| Nr. | Company | Country | Website |
|------------|-----------------------|----------------|---|
| 19. | GVZ Südwestsachsen | Germany | <p>https://www.gvz-org.de/de/g%C3%BCterverkehrszentren/s%C3%BCdwestsachsen/</p> <p><i>Deutsche GVZ-Gesellschaft mbH</i> (DGG) supports the cooperation of Freight Villages (GVZ).</p> <p>Typical fields of collaboration are intermodal transport (new transport chains between GVZ), implementation of a logistics-oriented service spectrum in GVZ, intensification of GVZ location marketing and harmonisation of service standards, development of sustainable models for development and operation of GVZ.</p> <p>GVZ Südwestsachsen is working with different kinds of innovations: digitalization, electromobility, and autonomous driving.</p> |
| 20. | DIRFT Daventry | United Kingdom | <p>https://prologis.co.uk/parks/prologis-rfi-dirft/?31271</p> <p>22 different kinds of parks around UK.</p> |

THE PROJECT

The focus of Baltic Loop is to improve the travelling time of goods and people between three corridors of the Central Baltic region (Northern, Middle and Southern) defined within the Project: northern between Orebro – Turku – St. Petersburg, middle between Orebro – Tallin – St.Petersburg and southern between Orebro – Riga – St.Petersburg. This specific Project objective is to identify and target the challenges related to integration of different transport nodes to reduce time-in-transport both for passengers and cargo, and at the same time reduce CO² emissions.

Main project objective: Minimise travelling and cargo transshipment time and decrease CO² emissions in the three corridors of the Central Baltic region (Northern, Middle and Southern) defined within the Project, thus making the corridors more attractive to new businesses and innovations.

The objective of Ventspils High Technology Park: working together with Ventspils Freeport Authority, help develop solutions to transportation bottlenecks along the corridors in order to increase the efficiency and added value of services provides by the Ventspils Port in the long run through efficient ICT solutions and to increase the demand for the transport corridor Sweden – Latvia (via Ventspils) – Belarus.

Read more at <https://www.balticloop.eu/>

Programme: Interreg Central Baltic
Project No.: CB 774

Lead Partner: Turku University (Finland)

Project Partners:

- Region Örebro County (Sweden)
- Vidzeme Planning Region (Latvia)
- Åbo Akademi University (Finland)
- Riga Planning Region (Latvia)
- Ventspils High Technology Park Foundation (Latvia)
- Union of Harju County Municipalities (Estonia)

Associated Partners:

- Ministry of Transport of the Republic of Latvia (Latvia)
- City of Salo (Finland)
- City of Turku (Finland)
- Freeport of Ventspils Authority (Latvia)

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