

## INVESTMENT PROPOSAL

### INVESTMENT CASE:

Construction of multifunctional container and general cargo handling terminal for servicing transit cargo flows in the dynamic "East – West" transport corridor. Investor will be granted the long term land lease agreement on the Build - Operate - Transfer basis

### PROJECT DESCRIPTION:

For the implementation of the Project there is available site adjacent to the port inner basin. Port basin is surrounded by breakwater system which effectively protects the territory of perspective terminal from the negative influence of the open sea.

The total territory of the site is 30 ha and length of the shore line is 1000 m. As a result of land reclamation, 20 ha of additional dry land may be reclaimed.

Planned water depth of 12 – 14 m at the berths of the terminal will allow servicing of "PANAMAX" and "HANDYMAX" type vessels

### INVESTMENT COSTS:

Financial investments of the total amount of 150 million EUR for the development of terminal infrastructure, incl. land infrastructure. Exact amount of necessary investments to be determined in the detailed feasibility study.

### PROJECT OWNER:

Project owner is the Liepaja Special Economic Zone Authority, which is derived legal person governed by public law established by the Republic of Latvia and Liepaja municipality and is supervised by the Cabinet of Ministers of the Republic of Latvia.

### Contact details:

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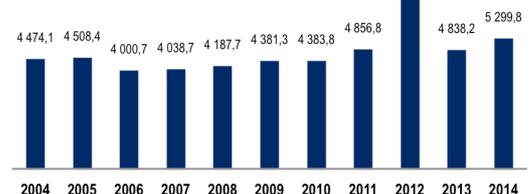
## LIEPAJA SPECIAL ECONOMIC ZONE OVERVIEW



Total port area: 1 182 ha  
Land area: 372 ha  
Water area: 810 ha  
Available land: 170 ha  
Total berths length: 8.17 km  
Max. depth: 12.0 m  
Max. vessel draft: 10.8 m  
Total terminal cargo handling capacity: 9.2 mln.t/year  
Vessel max. capacity: 50 000 DWT



CARGO TURNOVER (thsd.t)



### ADVANTAGES:

The non – freezing status of the Port of Liepaja, is an advantage for the proposed project, compared to the Port of Riga or the ports in Russian Federation. From the point of view of geographical location, the Port of Liepaja is competitive, due to the proximity to the main navigation routes and major European markets, resulting in substantially lower chartering expenses and voyage time.

The City of Liepaja offers geographically favourably situated free territories for various businesses, alongside with sound business environment, cost efficient workforce and a number of substantial fiscal incentives.

Liepaja is a premium location for both market- and export-oriented investors, because in addition to all the support factors, the city can offer highly beneficial fiscal incentives, granted by the Liepaja Special Economic Zone. The SEZ legislation is fully harmonised with that regulating special zone operations in the EU, and businesses establishing themselves within the LSEZ are entitled to the following direct fiscal incentives:

- 80% rebate on the applicable corporate income tax, which makes the tax rate as low as 3% in Liepaja and applies to all kinds of profits, including repatriated;
- 80% or 100% rebate on the applicable property tax, in addition to the fact that real estate costs and subsequently taxes, are comparably low.

Businesses establishing themselves within the LSEZ are entitled to the possibilities to operate under free zone status conditions obtaining the following additional indirect tax incentives:

- 0% VAT rate applicable for virtually all supplies and services;
- Excise tax and customs duty exemption.