

COUNTRY: LATVIA

FACTS:

Area: 64.589 km²

Population: 1.92 million (2019)

Government: Republic, parliamentary democracy

Language: Latvian (official); Russian, English and German are also widely spoken

Religion: Christianity

Currency: Euro (EUR)

Time difference from CET: +1

Climate: Relatively mild, between maritime and continental

Capital: Riga

National Day: 18th November (Proclamation Day of the Republic of Latvia)

TIME:

HOLIDAYS AND VACATION:

Usually, there are 14-15 public holidays (which come with a day off) each year.

- The New Year (31st December - New Year's Eve; 1st January - New Year's Day)
- Easter (Easter Good Friday; Easter Sunday/First Easter; Easter Monday/Second Easter)
- Labour Day/Latvian Constitutional Assembly Convocation (1st May)
- Day of the Restoration of Latvian Independence (4th May)
- Midsummer Fest (23rd June - Ligo day/Midsummer's Eve; 24th June - Midsummer Day)
- Song and Dance Festival Holiday (every 5th year)
- Proclamation Day of the Republic of Latvia (18th November)
- Christmas (24th December - Christmas Eve; 25th December - First Christmas; 26th December - Second Christmas)

OFFICE HOURS:

A typical working week is 40 hours which is 8 hours a day, 5 days a week starting between 8am and 9am. Friday is often a shorter work day, especially in the public sector, so the day might end around 4 pm.

Banks generally open at 8am, but shops are open from 10am until 7-10pm from Monday to Saturday. Lunch breaks are usually 30 to 60 minutes long and most people take their lunch at noon.

MANNERS AND CUSTOMS:

COURTESY:

When meeting for a first time with business partners Latvians shake hands, introduces themselves and exchange courtesy phrases. The best topic to start a conversation is weather. You can also talk about family, work, hobbies and sports. At the first meeting people are referred to by their surname. At previous times it was important not to address someone by their first name until invited to do so. Nowadays, when people meet again, more often they address each other by their first name.

DRESS:

At the office, business people follow a less formal dress code and in smaller businesses there are usually no formal dress codes. This varies in different industries and generations. In banks employees are dressed more formal. Start-ups choose a very casual style, especially in the ICT area. Formal suit with a tie is dressed at a formal event, shirt without tie for an informal meeting are suitable.

BODY LANGUAGE:

Be relaxed. Having your arms, legs or feet crossed can give impression that you are not being open and honest or interested in the conversation. Your handshake is your first impression to show your confidence, so pay attention to how you are shaking someone's hand. It is best to shake everyone's hand entering and exiting a meeting. To shake someone's hand with other hand still in your pocket is considered inappropriate.

NEGOTIATION:

BUSINESS MEETING:

When it comes to punctuality, Latvians are relatively tolerant. If you try to arrive a few minutes before your appointment, you will have time to prepare yourself a little more while you are waiting. Meetings often begin with a welcoming speech from the most senior Latvian at the meeting. If this occurs, the most senior person from your team should respond with a short speech. It generally takes several meetings to reach a decision. In most cases, decisions are still made at the top of the company, so what you propose will have to make its way up the chain of command for approval.

It is common to continue meetings over lunch or dinner, although the conversation will tend to be social rather than business-oriented. These occasions are good opportunities for you to get to know your Latvian colleagues and for them to get to know you as an individual.

NEGOTIATION SKILLS:

Business negotiations in Latvia are tough. Sometimes decision may be taken before the meeting and in this case, there must be serious causes to change it. Latvians do not express their emotions during negotiation. The time required for negotiation depends on the attitude of the partners and the nature of the sector. It usually takes longer to negotiate in the public sector than to do business in the private sector because of the bureaucracy.

INVISIBLE CODES:

If your host invites you to call them by their first name, this is a sign of a comfortable relationship, but not necessarily that you are negotiating on friendly terms. Building individual relationships is essential to the success of partnership, especially when business will be conducted over a long period of time.

ETHICS:

Informal meetings are not recommended to disparage about the country or blame on its chosen path of development. The Soviet occupation is still a painful topic for society, therefore, do not think about starting deliberately to deny the former Soviet occupation or, to speak about it from a very positive side. Better start to talk about neutral topics, such as weather, sports, famous places in Latvia, national cuisine or culture.

COMMUNICATION:

The best way to contact someone in Latvia is to make a phone call. Latvians enjoy using their phone and they will gladly receive your call. Contact by email is popular, but response times still vary considerably and it may take a while before you receive an answer. Nevertheless, email is often preferred in the business environment because there is a clear written record that can easily be referenced. Latvians who are doing business with foreign partners are fluent in English and usually provide the documents in English.

GIFTS:

Business partners do not expect presents at the first meeting, yet small gifts to business associates are generally accepted. You should bring something small from your country, a unique souvenir representing your country or company. It could be a small plate with a monument picture, a key holder with a representative historical or natural monument, heraldic signs applied on various small objects.

REPRESENTATION:

AT A RESTAURANT:

Business lunches are common, but a business dinner is preferred. When the purpose of the business dinner is to entertain and spend time together in getting to know each other, then more casual dress is appropriate. You may offer to pay, but usually your host will politely refuse and pay the bill himself.

IN THE HOME:

Latvians prefer to invite their guests to lunch or dinner at a restaurant, rather than to their homes. But, after a few visits to Latvia when you have got to know each other better, a business relationship can develop into a friendship. If you are invited to a Latvian's house, take a box of chocolates, a bottle of wine, fruit or flowers for the hostess. Flowers should be given in odd numbers due to the fact that in Latvia flowers in an even number are brought to the cemetery.

OTHER:

COUNTRY AND PEOPLE:

Latvia is ranked the 19th among the other world countries by The Ease-of-Doing-Business Index (2018) and belongs to the group of very high human development world states. Thanks to its convenient geographical location Latvia has a well-developed transit service net within well-functioning transportation and logistics industry.

Latvians are a mix of a common Baltic character between a bit of emotional Lithuanians and noticeably cold Estonians. Anyway, individualism is the main feature of the Latvian character. Latvians are relying only on themselves, which makes them a little reserved, restrained, not much talkative in communication with others.

CHALLENGES:

Latvian market is relatively small and in this point of view, business people may know each other well. That is why it is important to be in good relationship with local business representatives who are trustful and has respectfulness among other entrepreneurs. Latvians can be extremely reserved. They do not readily smile, especially at strangers. It could be challenging to earn trust, but once earned, Latvians can be very generous and helpful.

WHAT IS THE WORST THAT CAN HAPPEN:

At the first meeting you have to make a good first impression. If decision is made before meeting it will be really hard to change it. Losing trust by making up facts is a deal breaker.

WHEN IT WORKS WELL - WHAT HAS TO BE IN PLACE:

Latvians are relatively tolerant to punctuality, but if you will be on time and even 5 min before meeting, it will show, that you are taking this meeting seriously and will leave a good impression.

INFORMATION AND/OR KNOWLEDGE AND/OR SKILLS:

Before you come to Latvia you have to prepare yourself, get to know topics that are taboo and what is acceptable. Don't criticize country and be polite to everyone.

Business partner must know his field and be an expert in it. Meeting will be successful if you can answer all the questions. Information must be clear. Latvians don't like to talk too much so be precise. You have to earn trust with your professionalism. Bring the right materials of concept and show examples and/or your feedback.

WHAT MAKES THE INFORMATION AND/OR KNOWLEDGE AND/OR SKILLS IMPORTANT:

These are the preconditions for starting a successful business relationship.

It shows that you know what you are talking about and that cooperation and doing business with you will be successful for both sides.

SITUATION - BEHAVIOUR - RESULT:

If there is some misunderstanding, you have to put extra effort to explaining yourself. You will need to convince Latvian business partner. Be patient, confident and honest. If you are prepared for this meeting professionally then result will be rather successful.

The opinion of the entrepreneur:

"I agree with almost everything, except that the call always has a higher priority than the e-mail. For example, if I don't know person yet (I haven't had a specific discussion yet), then I prefer e-mail rather than call. A call can be a priority if a topic with a person is already active. Otherwise, if I don't really know the person, it is more difficult to tell the communication purpose from one call."

/"Biotehniskais centrs", Mr Juris Vanags - Chairman of the Board/Director. /