



Prime Minister of the Republic of Latvia  
Mr. Krišjānis Kariņš

Cabinet of Ministers of the Republic of Latvia  
Brīvības iela 36, Rīga, LV-1050

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## **Support letter to shopping centres with regard to restrictions related to COVID-19 pandemic**

With this letter we want to express our support to the **appeal by the Latvian shopping centres to the Latvian government to develop and implement a support mechanism that compensates the losses** caused by the restrictions aimed at combating the COVID-19 pandemic which are kept in place with respect to shopping centres.

Norway is among the largest foreign investors in Latvia, with investments exceeding EUR 350 million in 2021. Among Norwegian investors a large share have invested in the real estate sector, including in the development of Latvian shopping centres. This is more than 100 million worth of investments in Latvia's economy and development of the urban environment of Riga, as well as many millions paid in taxes into Latvian tax system. Following the COVID-19 pandemic, the rules adopted by the Latvian government that restrict the business of shopping centres have made a substantial negative impact on the operation of the centres by preventing them from operating in their sector and generating revenue that could be used to cover their maintenance costs. The last week's decision to open shops outside shopping centres further aggravates the situation and unfair competition.

In the current situation, the restrictions imposed by the Latvian government prevent foreign investors from exercising the right to property provided in the Constitution of Latvia and place them in an unequal position compared to other economic sectors and players. Furthermore, unlike other sectors, for which the government of Latvia has decided to develop compensation mechanisms, these existing mechanisms do not reach the developers and managers of shopping centres. From the point of view of existing and potential foreign investors this signals that different, less favourable conditions are applied to them compared to local market players.

The large shopping centres are not only buildings and structures; instead, they are important infrastructure in the retail ecosystem of Latvia, and their bankruptcy would hurt more than just small tenants and those working in retail and the related supply chains. The above-mentioned investors are not only developers of shopping centres – they have invested and are developing also other commercial properties and thus represent an important driver of Latvian economy. The decisions of the government of Latvia, which discriminate against foreign investors, undermine Latvia's image in the eyes of foreign investors. This will have an effect on attracting foreign investment to Latvia in the long term, causing considerable consequences in all commercial property sectors and to Latvia's regional competitiveness.

Sincerely,

Matīss Kukainis  
President of the Norwegian Chamber of Commerce in Latvia