LIEPAJA SUSTAINABLE INDUSTRY HUB

JOINT STATEMENT

Liepāja



Van Oord



™EUROPORTS





Fokker Next Gen







Investment and Development Agency of Latvia



PREAMBLE

Liepaja has been selected as the location for a number of large-scale private investment projects, which are united by both the size of their investments and their direct link to green energy and smart manufacturing. This concentration of private entrepreneurs creates unprecedented opportunities to develop new export-oriented industries and contribute significantly to Latvia's gross domestic product.

Projects like Offshore Wind & Heavy Lift terminal, hydrogen production factory, Sustainable Aviation Fuel factory, hydrogen planes manufacturing and $\mathrm{CO_2}$ export terminal for Carbon Capture and storage will accumulate more than 4,3 billion euro investment in 2025-2032 and will consolidate large amounts of hydrogen, oxygen, $\mathrm{CO_2}$ and waste heat in the territory of Liepaja SEZ. That will provide unique possibility for establishing other new industries that can use these items as raw materials.

In response to the urgent need for sustainable energy development and economic resilience, we, the undersigned, representing Liepaja Special Economic Zone Authority, the Liepaja City Council, the Investment and Development Agency of Latvia, Riga Technical University, RTU Liepaja Academy and key industry stakeholders – Van Oord, Euroports, Smulders, CIS Liepaja, GI Termināls, and Fokker Next Gen Latvia – unite in our commitment to the creation and development of the "Liepaja Sustainable Industry Hub."

COMMITMENTS AND OBJECTIVES

1. Climate-Neutral Smart City by 2030: The Liepaja City Council is dedicated to transforming the city into a Climate-Neutral and Smart City by 2030 as part of the EU Mission on Climate-Neutral and Smart Cities. This prestigious designation provides significant benefits to companies operating in Liepaja, including easier access to EU, national, and regional funding opportunities. Through the Climate City Capital Hub and the European Investment Bank's €2 billion lending envelope, businesses in Liepaja can receive tailored financial advice, support to make their projects investment-ready, and direct connections to both public and private investors, thereby accelerating their green initiatives.

Moreover, the Mission Label enables local businesses to actively participate in and benefit from the city's strategic climate projects. Companies can leverage their involvement in the Climate City Contract (CCC) to secure funding, promote their activities, and align with Liepaja's broader sustainability goals. This collaborative environment not only fosters innovation but also positions Liepaja as a leading hub for sustainable business growth, contributing to the EU's goal of achieving climate neutrality by 2050.

2. Infrastructure development and transformation in Liepaja: The Liepaja Special Economic Zone was established to develop and promote trade, manufacturing, maritime and air transport, as well as the international exchange of goods through Latvia. Its purpose is to attract investment for the development of manufacturing and infrastructure and to create new jobs in Liepaja. LSEZ authority will continue development of infrastructure of Liepaja port as well as will transform old steel plant into green 120-hectare large industrial park. Over the next 10 years, this Industrial Park will provide territories for new companies of sustainable industries and is expected to create 3,000 new well-paid jobs. This initiative will contribute to the overall growth of

the Latvian economy, positioning Liepaja as a key driver of industrial and economic development. The total planned investment is EUR 425 million, of which EUR 375 million is private and EUR 50 million public.

- **3. Offshore Wind and Heavy Lift Terminal Development:** The consortium of Van Oord, Euroports and Smulders is committed to establishing a state-of-the-art terminal in Liepaja, which will support offshore wind projects across the Baltic Sea, optimize supply chains, and reduce emissions. This terminal, led by the consortium of Van Oord, Euroports, and Smulders, is projected to be operational by 2027. Total planned investment is EUR 385 million.
- **4. Hydrogen and Green Ammonia Production:** CIS Liepaja is committed to developing a hydrogen and green ammonia production facility in Liepaja, with a target production of 140 000 tonnes of hydrogen annually, contributing to Latvia's renewable energy objectives. Large quantities of by-products, such as 850 000 tonnes of oxygen and 1 000 GWh of heat will be produced and can be used for local industry. Total planned investment EUR 1 billion.
- **5. Carbon Capture and Storage:** New carbon transport and storage terminal is to be built at the Port of Liepaja, which will handle 800 000 tonnes of captured carbon annually. Terminal will include the construction of liquefaction unit, tank truck discharging rack and CO_2 storage complex 6 shore tanks, each 8000 cbm. This project will significantly reduce carbon emissions and contribute to the overall sustainability goals of the Liepaja Sustainable Industry Hub. Total planned investment is EUR 250 million.
- **6. Sustainable Aviation Fuel (SAF) Production:** LSEZ GI TERMINALS / NORSAF is dedicated to advancing the production of Sustainable Aviation Fuel (SAF) at the Liepaja Sustainable Industry Hub, supporting the global aviation industry's transition to cleaner energy. The planned annual production is 100 000 mt SAF, 11 900 mt diesel and 7 600 mt gasoline. This initiative aligns with international efforts to reduce carbon emissions in aviation. Total planned investment is EUR 500 million.
- **7. Aviation Innovation and Green Technology:** Fokker Next Gen Latvia, subject to financing, will lead efforts to establish a hydrogen-powered commercial aircraft manufacturing facility in Liepaja, which will be operated using renewable energy, reinforcing the region's role as a leader in green technology and sustainable innovation. Total planned investment until 2035 could amount to EUR 2 billion.
- **8. Dedicated educational programs:** Riga Technical University and RTU Liepaja Academy is committed jointly with industrial partners to train professionals and leader for renewable energy related industries, and provide in-depth scientific, research and developing new products and technologies.
- **9.Investment Attraction and Development Support:** The Investment and Development Agency of Latvia (LIAA) will actively support the development of the Liepaja Sustainable Industry Hub by facilitating international investment, providing regulatory guidance, and offering tailored incentives within its competence and mandate. LIAA is committed to ensuring the inclusion of this project on the list of priority and strategically important projects and will work proactively to attract investment for this project. Additionally, LIAA is currently working on the implementation of the ELWIND project within its existing mandate, supporting Latvia's integration into the European renewable energy landscape and contributing to the country's leadership in offshore wind energy development.

COLLABORATIVE EFFORT

This Statement represents a unified effort by public and private stakeholders who are already actively cooperating in Liepaja to ensure the success of the Liepaja Sustainable Industry Hub. This project is poised to attract EUR 4.3 billion in investment to Latvia, solidifying Liepaja's role as a key driver of sustainable growth and innovation in the region.

We are committed to:

- **Infrastructure Development:** Building robust port and industrial infrastructure to support large-scale renewable energy projects.
- **Sustainability Initiatives:** Upholding the highest environmental standards in all project activities.
- **Investment Attraction:** Engaging with local and international investors to secure the necessary financial resources.
- **Community Engagement:** Promoting economic and social benefits for the local community through job creation and educational initiatives.
- **Research & Development:** Provide creation of talents, knowledge and new technologies in close collaboration between industry and academia in the region.
- Innovation capacity: Building a collaborative environment for co-creation and innovation engagement between the stakeholders – public sector, academia, industry and startups.

CALL FOR HIGHEST PRIORITY

We call for full governmental support and cooperation in recognizing the Liepaja Sustainable Industry Hub as a project of the highest priority for Latvia. Prioritizing this initiative will not only advance Latvia's energy independence and economic development but also align with broader EU objectives of climate neutrality and sustainability. We urge the government to facilitate necessary infrastructure development, regulatory support, and financial incentives to ensure the successful realization of this project.

CONCLUSION

The Liepaja Sustainable Industry Hub is a landmark project that will significantly contribute to Latvia's economic and energy future. This initiative underscores the proactivity and flexibility of the Liepaja Special Economic Zone and municipality, whose clear and understandable governance model has laid the foundation for private companies to reach advanced stages of project development under favourable legal conditions.

The signatories hereby invite other companies representing the sustainable industry to join the sustainable energy hub in Liepaja.

SIGNATORIES: Liepaja City Council Liepaja Special Economic Zone authority Van Oord Euroports Smulders CIS Liepaja GI Termināls Fokker Next Gen Latvia Riga Technical University Investment and Development Agency of Latvia

Signed on November 12, 2024