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# AMCHAM LATVIA SEMINAR

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Promoting Latvian Businesses on the  
USA East Coast

**June 13, 2022**

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## Brief Biography of Reinis N. Sipols P.E.

- \* Born and raised in Detroit, MI
- \* 1987 graduate of Michigan Technological University
  - B.S. of Mining Engineering
- \* 15 years engineering/operations management experience and 20 years of minerals industry and financial consulting experience
- \* Owner of a small wood products business in Latvia since 2004
- \* Dual citizen of USA and Latvia



# LATEST USA ECONOMIC DATA OVERVIEW

- \* USA GDP 2022 USD\$22.8 Trillion (2023 Est. USD\$23.4 Trillion)
- \* Current unemployment rate of 3.6%
- \* Labor participation rate of 62.3%
- \* Current inflation rate of 8.26%
- \* Current average gasoline price (east coast) of \$4.87/gallon (\$1.25/litre) and \$5.70/gal (1.47/litre) for diesel fuel



## LATEST USA ECONOMIC DATA OVERVIEW CONT.

- \* USA Central bank interest rates are expected to rise by up to 2-3% in the next 12-18 months to fight inflation.
- \* New housing market already slowing, lumber COMEX futures prices falling.
- \* Mortgage applications down 40% since April 2022.
- \* Risk of a deep economic recession 50-75% depending on source.



# EAST COAST USA MARKET

- \* Defined as USA coast from Maine to Florida and west to the Ohio River Valley and south to Alabama.
- \* Wealthiest portion runs from Boston to Virginia (megalopolis or I-95 corridor)
- \* States of Virginia, North/South Carolina and Florida experiencing rapid growth. Population and wealth shift south and west



# EAST COAST MARKET OPPORTUNITIES

- \* Generally worldly and sophisticated population.....seeking and curious about new things and products (unique food exports as an example).
- \* Market for high quality goods (machinery, sub-assemblies etc). Easy access to Canada.
- \* If USA dips into recession outsourcing of back office, IT, etc to Latvia is attractive.



# 12 Key Industries

Development of industries and ecosystems with high value-added

- Life Science
- Food Processing
- ICT
- Smart City
- Healthcare
- Biomedicine
- Woodworking
- Green Technology
- Transport & Storage
- Global Business Services
- Engineering & Metalworking
- Smart materials & Photonics





## WHERE DO I START?

- \* Visit the region and USA as a whole (LIAA can help with contacts and possible meetings)
- \* Engage in industry specific events (possible LIAA aid for this) and industry associations.
- \* Tap into the Latvian (and Baltic) diaspora through their media, friendships and contacts.



## WHERE DO I START CONT.

- \* Develop branding and ensure quality
- \* Ability to meet customer needs and demands.
- \* Know the customer (American mentality)
- \* Consider white label manufacturing (ex. Bar Harbor Foods, canned fish made in Latvia)
- \* Timeline could be much longer than planned, adequate capitalization key.



# CONCLUSIONS

- \* Largest worldwide market, find the right niche. Even in recession, USA market will grow in certain segments.
- \* Be the best and do your homework (LIAA can help here)
- \* Be established in LV and EU. Proven performance key for more rapid market entry.



# CONTACT INFORMATION

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