

Mechanical engineering and metalworking sector in Latvia

Trends, prospects, challenges

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Chairman of the Board
MASOC

Tech Industry 2019, 29.11.2019



Association of Mechanical Engineering and
Metalworking Industries of Latvia

www.masoc.lv

MASOC – Association of Mechanical Engineering and Metalworking Industries of Latvia

- Established in 1994 as informative and consultative centre for the specified industrial sector
- Voluntary, membership based organisation
- 165 members
- Close co-operation with education and R&D institutions related to the sector
- Represents interests of its members and implements projects and activities to increase the competitiveness of its member companies and sector in general
- The main goals:
 - **To promote the competitiveness and growth of the sector;**
 - **To promote mutual cooperation**
 - **To promote professional growth of the specialists in the sector**



Mechanical engineering and metalworking industry in Latvia

(subsectors and their share in sector's total output, 2018)

16%



C29 – Automotive

4%



C30 – Other transport vehicles

5%



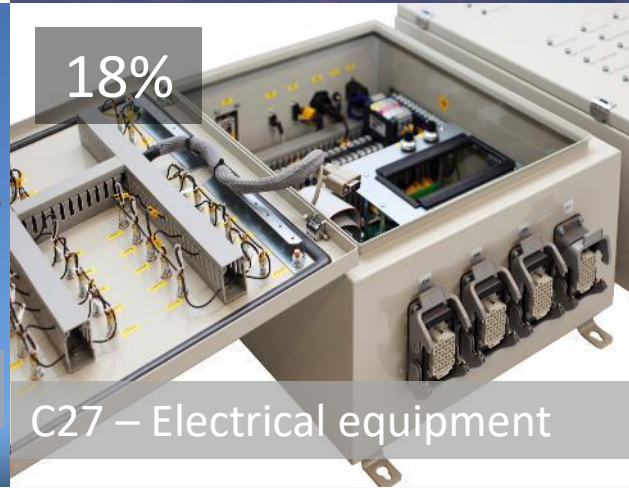
C24 – Metals

16%



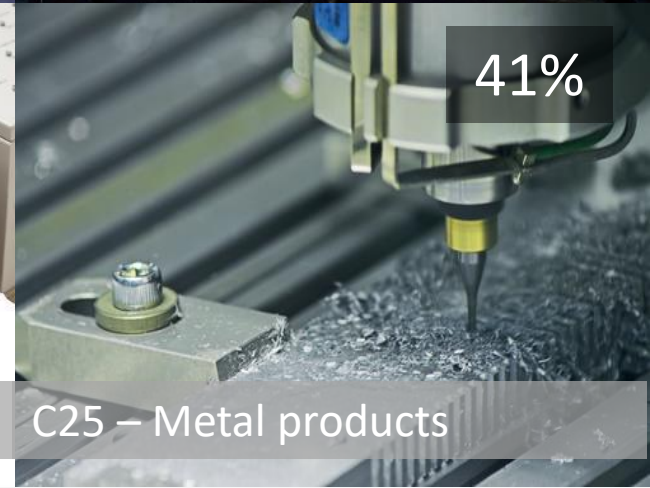
C28 – Machinery

18%



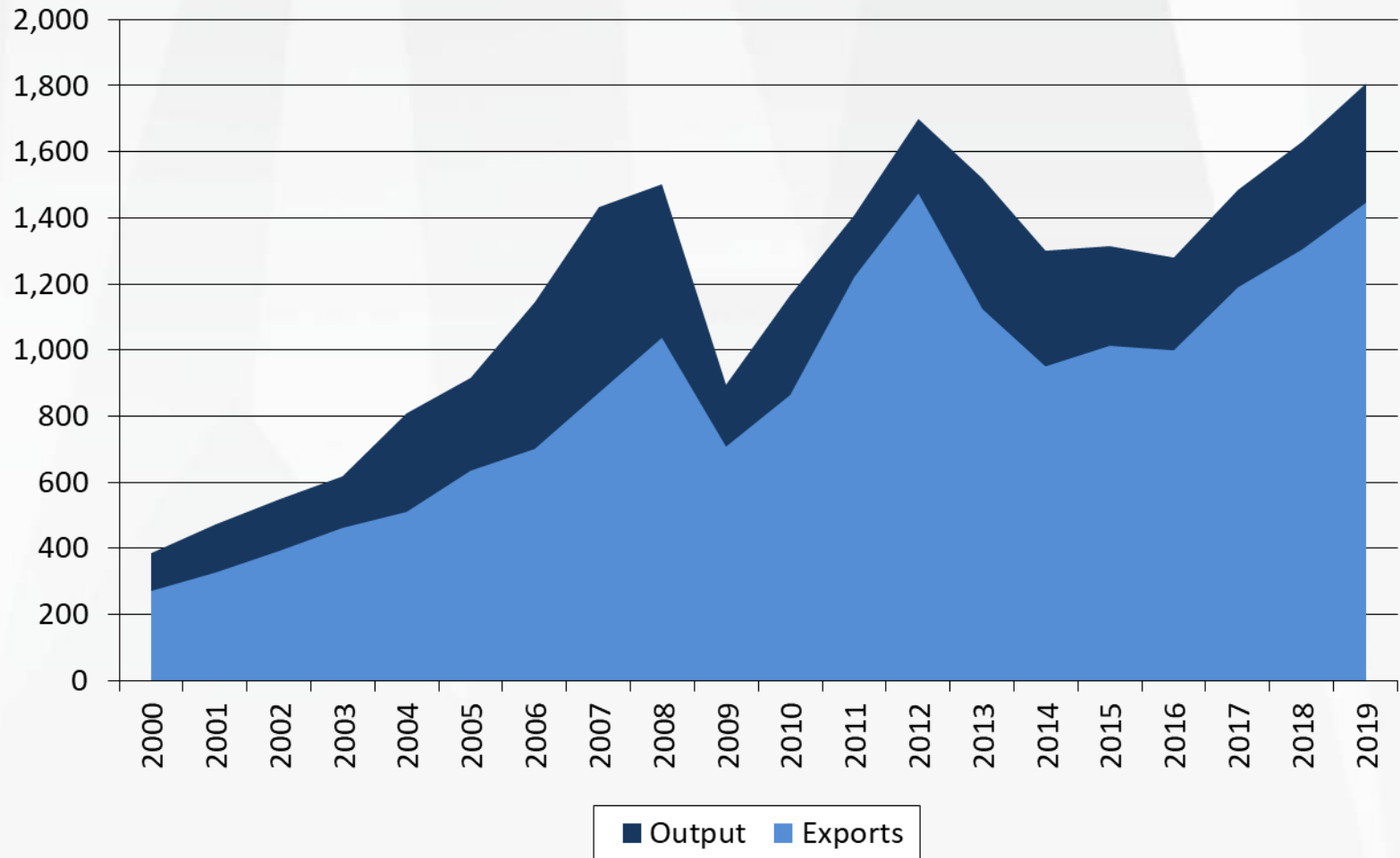
C27 – Electrical equipment

41%



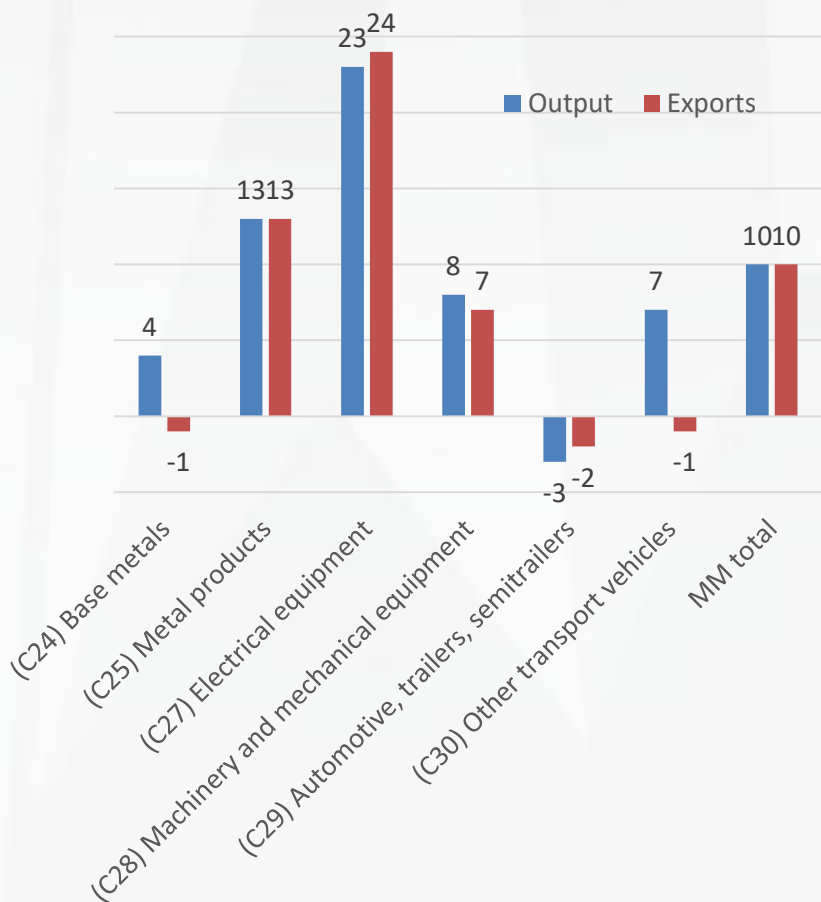
C25 – Metal products

Development of mechanical engineering and metalworking sector (NACE C24; 25; 27; 28; 29; 30)

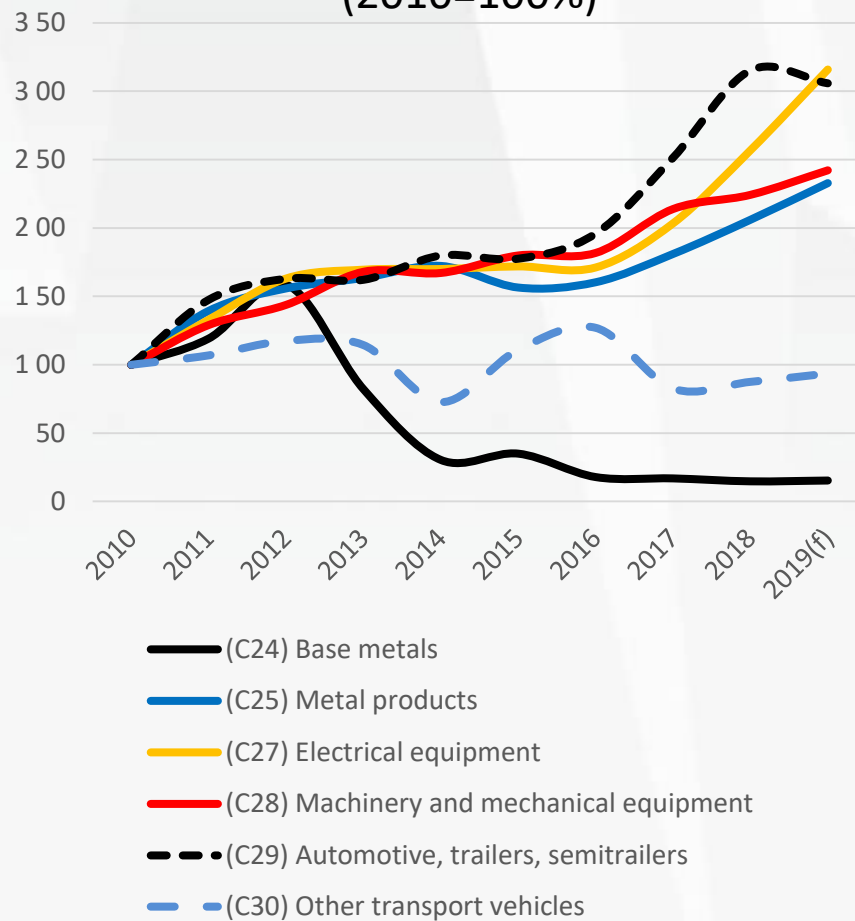


Subsectors

Changes in output and exports
(2019 9M / 2018 9M, %)

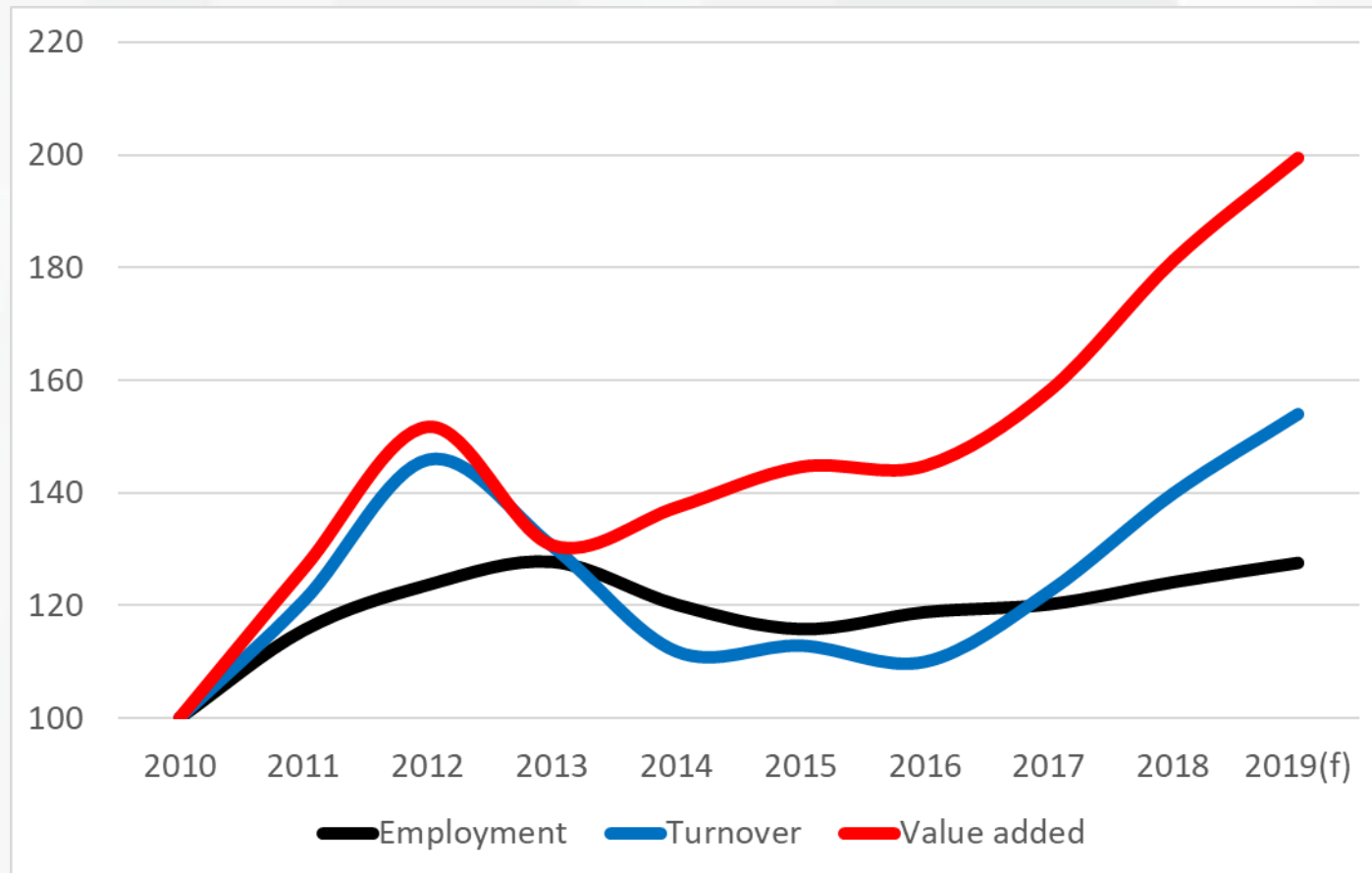


Changes in output
(2010=100%)



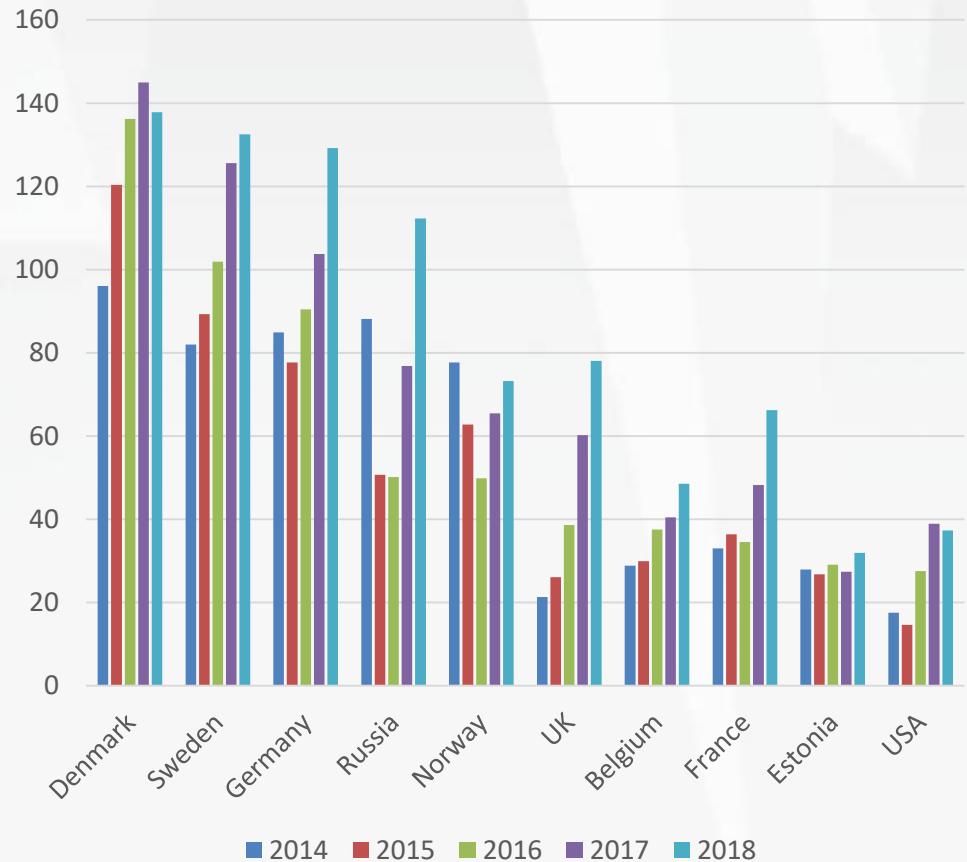
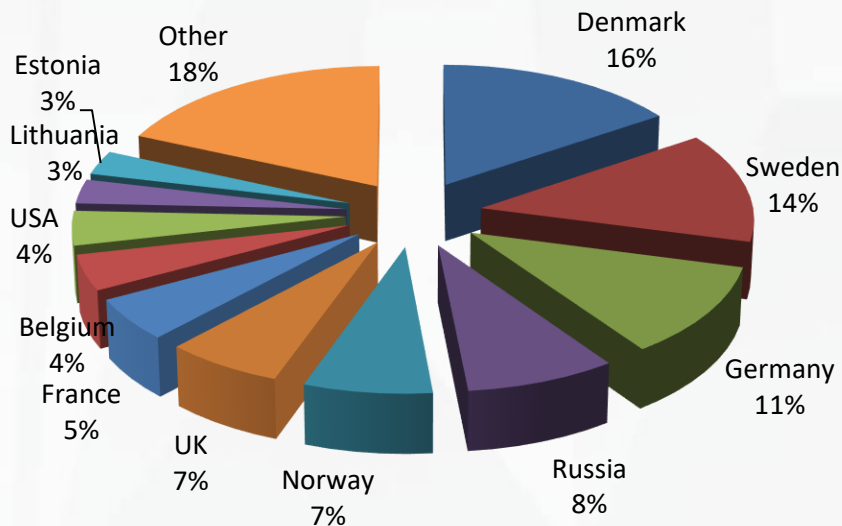
Main indicators – mechanical engineering and metalworking

(NACE C24, 25, 27, 28, 29, 30; 2010=100%)

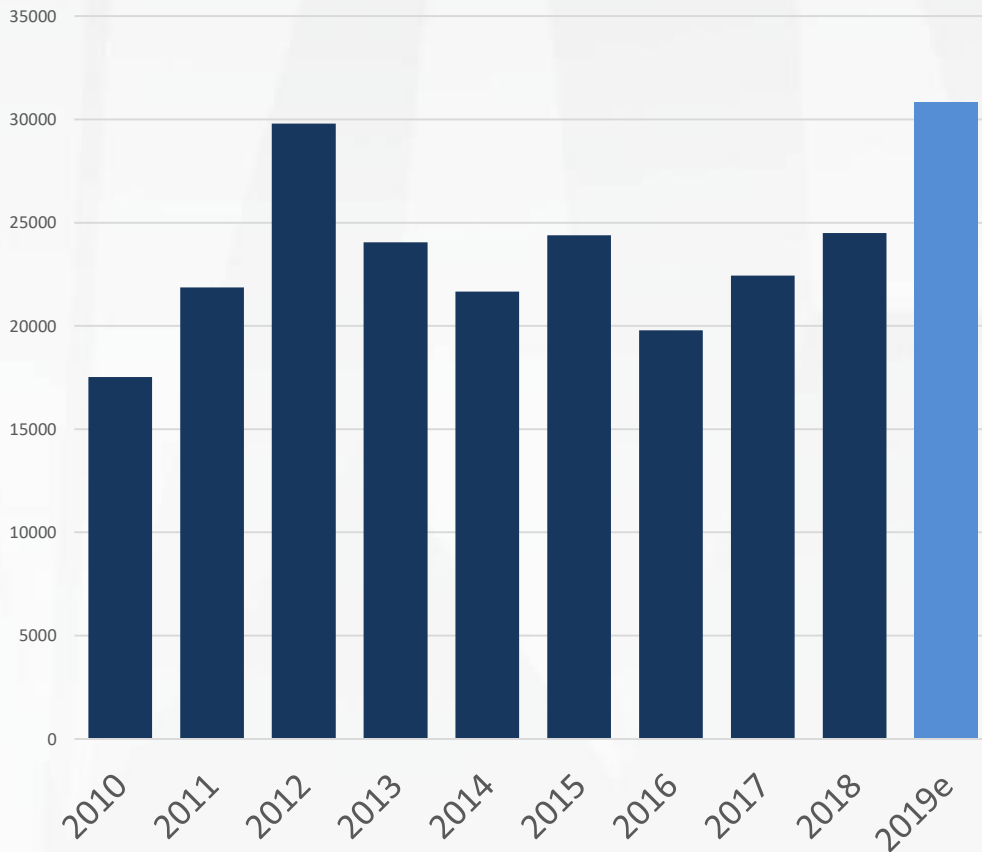


Main export markets

(mechanical engineering and metalworking, 2018)



Investment



Gross investment, NACE 25, 28

- Increase in investment in 2019 compared to previous years
- No significant new players
- Existing companies investing in new technologies and production facilities
- Biggest investment projects:
 - Caljan Rite Hite (Liepaja) – new production site in the territory of former Liepajas Metalurgs
 - Jensen Metal (Liepaja) – new production site
 - Lesjofors Springs (Liepaja) - new production site
 - AKG Thermotechnik (Jelgava) – expansion
- Changes in tax system as a positive factor – since 2018, no company income tax on reinvested profit

Challenges

- Qualified specialists
 - 73% of sector companies indicate this as top challenge
 - Both university and professional school level specialists missing

MASOC activities to support availability of qualified specialists

Attraction of young people to the sector

- TehnoBuss project – mobile laboratory equipped with modern production and demo technologies. Visiting preliminary schools to raise interest in technical sciences.
- Informative materials, events – Jelgava Metal festival, exhibitions, etc.

Professional / higher education system

- Lobbying of professional education schools / infrastructure projects
- Qualification improvement projects for teachers
- Internship for students
- Qualification / examination commissions

Further education / lifelong learning

- ERDF project «Training of the specialists in the metalworking sector» - welders, CNC specialists, Solidworks, non-destructive testing, LEAN, etc.



TehnoBuss

www.tehnobuss.lv

Uzzini par moderno mašīnbūvi un metālapstrādi

UNIF

KB-8037

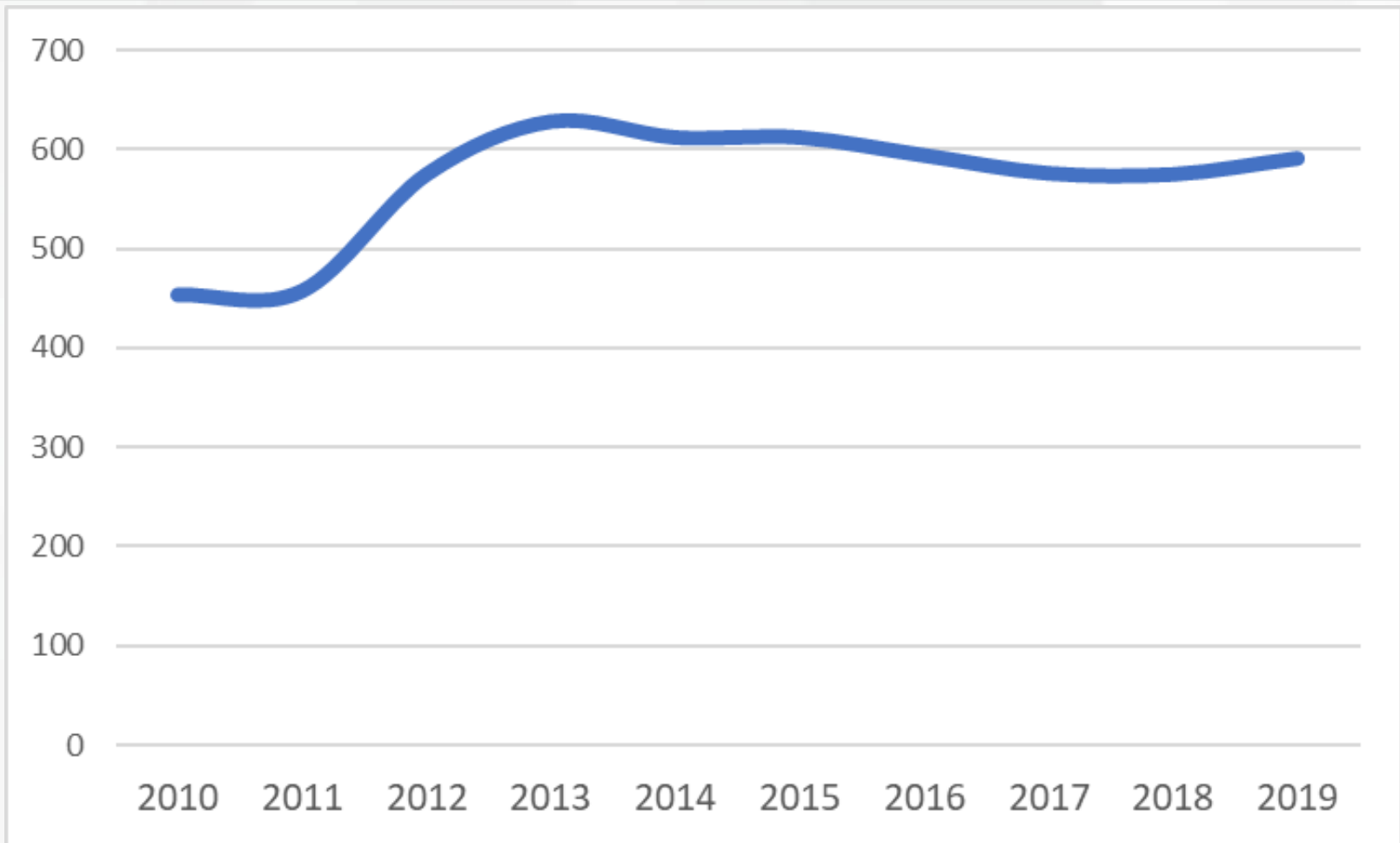
Wüstliche
Werkzeuge

Gāzes bal

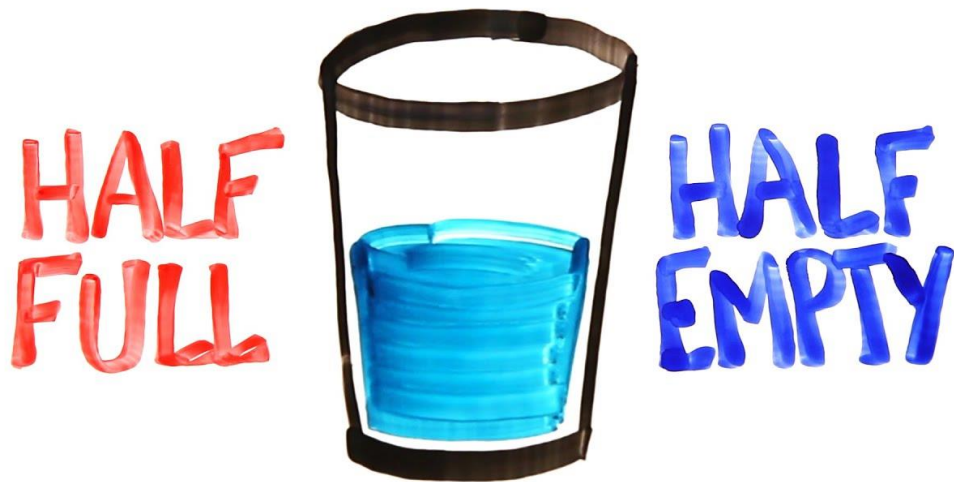
MASOC

RESPIRATOR MAŠĪNAS
MAŠĪNĀRĪKAS

Number of new students in VET schools (programs related to mechanical engineering and metalworking)



Number of new students in VET schools – how to look on this?



- The sector requires more new specialists than the education system can supply
- However, taking into account the overall demographic trends, the number of new students in VET schools can be considered as rather good. Situation in other sectors is worse.
- The VET schools are modernised in terms of infrastructure and equipment. Lot of investment during last 10 years. The prestige has improved.
- Main challenges – lack of teachers / high % of students not finishing studies due to gaps in skills / knowledge from primary education

Results of the 4Change project

New methods and materials for education / training in the field of CNC technologies

Learning and reference materials in Latvian

For the sector – improved quality and competence for the new CNC specialists



Export promotion



- Joint stands at exhibitions organised by MASOC / LIAA:
 - Hannover Messe
 - Ligna
 - Alihankinta
 - Elmia Subcontractor
 - Tech Industry
- Matchmaking events / suppliers forums
- Incoming / outgoing trade missions

Project SME Aisle

- Export promotion to Namibia and other South – African countries
- Partners from Latvia, Estonia, Finland and Sweden
- 2018-2021
- 4 outgoing and 3 incoming trade missions already successfully realised



Mechanical Engineering Competence Centre

- Project initiated by MASOC
- General objective – to support industrial research and development of new products and technologies
- First round 2016-2018
 - 27 research projects
 - About 6M EUR invested in R&D, 3M EUR of which from ERDF
- Three main focus areas:
 - Automated production systems
 - New material technologies
 - Transport technologies
 - + cross-sector projects
- Second round 2019-2021
 - 14 ongoing research projects
 - More projects to be selected in 2020



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