

Relations between Latvia and the United States of America

Latvia and the United States of America share very special and close relations. The bilateral dialogue has been based on shared values and goals: freedom, democracy, rule of law, human rights, market economy and a joint concern over modern security threats. These goals have been the essence for a strategic partnership and trustful cooperation between Latvia and the United States.

Latvia highly values the political support that the United States has given to ensure Latvia's national sovereignty and help it establish an independent foreign policy. This cooperation with the United States has also contributed significantly to Latvia's integration in the Euro-Atlantic structures.

Present cooperation

The U.S.-Baltic Partnership Charter was signed on January 16, 1998 with the goal of complete integration of the Baltic States into European and transatlantic political, economic, security and defence organizations. These goals were achieved in 2004 when Latvia became a member of NATO and the EU. Latvia has stood closely with the U.S. in Afghanistan and Iraq, and continues to cooperate in promoting democracy in the EU neighbourhood.

Evolution of Relations

The Latvian-US relationship began on December 10, 1918 when the U.S. Senate passed Resolution No. 379 supporting the secession of the three Baltic States from Russia. "All these nations must be free and independent, since the Baltic Sea coast belongs to them and this makes their independence important for the future peace and freedom of the world." Diplomatic relations between Latvia and the US were first established on July 28, 1922.

During the inter-war years, a number of prominent Americans visited or worked in Latvia. President Herbert Hoover visited Latvia in the early 1930s. John F. Kennedy, while studying in London, visited Latvia on the eve of the WWII. George F. Kennan was first stationed as a diplomat in Latvia during these years.

Since then, Latvian-US diplomatic relations have played a unique role in Latvia's diplomatic history. The declaration by the U.S. Secretary of State Sumner Wells, issued on June 23, 1940 established a Baltic policy that ensured that Baltic diplomatic missions continued to operate in Washington during the Soviet occupation. The Latvian mission in Washington was the only Latvian foreign mission to continue functioning with full diplomatic recognition throughout the years of its occupation by the Soviet Union. The United States never recognised the legitimacy of Soviet rule in occupied Latvia.

Since 1989, Latvia's mission in Washington and the U.S. State Department began to expand cooperation, and in 1990 the U.S. government established unofficial contact with the Latvian (Popular Front) transitional Government. U.S. President George H.W. Bush met with the Latvian Prime Minister and Foreign Minister in the White House in 1990. On September 5, 1991, the U.S. and Latvian governments re-established diplomatic relations, and, shortly thereafter, the U.S. opened its embassy in Riga.

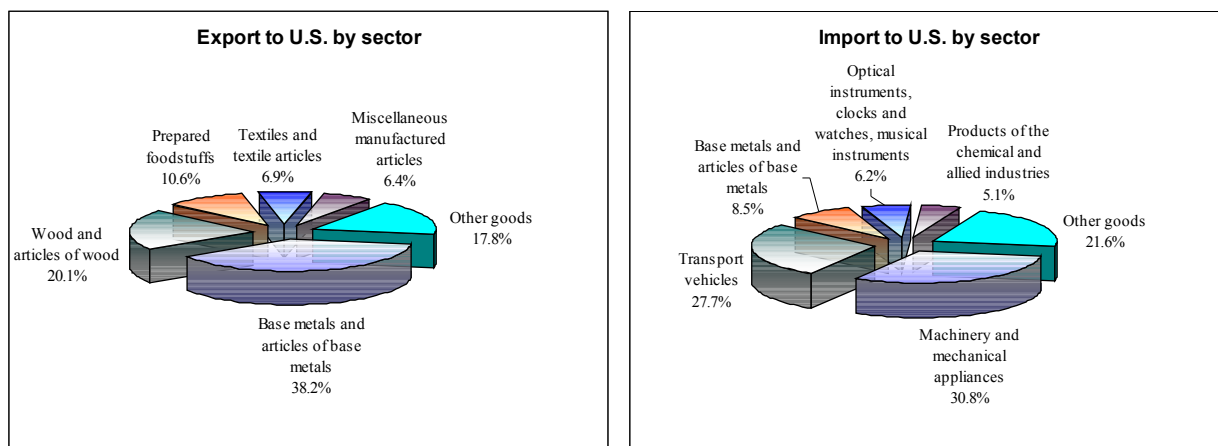
U.S. President Bill Clinton's visit to Latvia on July 6, 1994 provided a fresh impetus to strengthening U.S.-Latvian relationship, leading to signing a joint U.S.-Baltic Partnership Charter in 1998. The principles of freedom, democracy, the rule of law and joint commitment to promote the security, prosperity, and stability of the region defines the common agenda for today and the future.

Economic cooperation

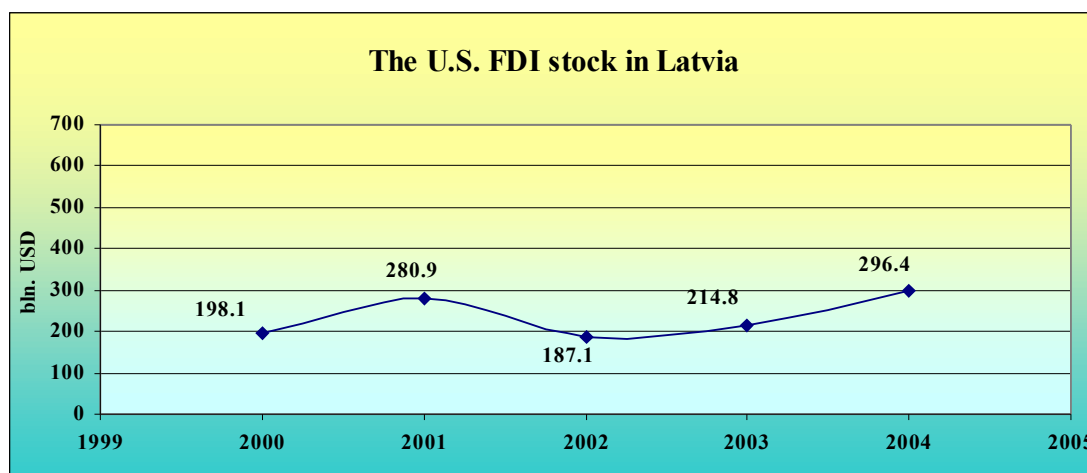
The United States is an important trade partner for Latvia. A long-term cooperation concept between Latvia and the US was defined on January 16, 1998 by the U.S.-Baltic

Charter. A Bilateral Economic Working Group was established to encourage U.S. investments, bilateral trade, and assist the economic development of Latvia.

The trade balance between Latvia and U.S. is growing. In 2004 the trade volume increased by 19.6 % in comparison with previous year. The export to U.S. went up by 39.6 %, import from U.S. to Latvia increased by 1.3 %.



At the end of 2004, U.S. investment in Latvia constituted USD 156,30 million, ranking it 6th among the biggest investors. Major sectors for U.S. investments have been the financial sector, services and new technologies.



U.S. actual investment in Latvia is larger than statistical data reveal. Many U.S. companies are investing in Latvia through affiliates and partners located in other countries.

Notable current U.S. investments include:

A 40-50 million investment by “**Jeld-Wen**” to build a wood production manufacturing facility Aizkraukle, Latvia. The IT company “**Exigen Group**” and Latvian IT company “**Dati**” have agreed on a strategic partnership, thus establishing the largest IT resource in the Baltics, with more than 700 professionals. In addition, on November 10, 2004 a memorandum of understanding was signed between company “**Dati**”, international consortium “**TIPS**” (The Transatlantic Industrial Proposed Solution for NATO AGS) and the French company **THALES**, on Latvian participation in the NATO Alliance Ground Surveillance (AGS) project involving 26 countries and more than 100 companies.

The American Chamber of Commerce in Latvia was established in March, 1993 and nowadays it is represented by 130 companies and individuals. Latvia plans to open a **foreign economic representation** in the U.S. by the end of 2005.