

## Canadian Chamber of Commerce in Latvia Annual Report

September 11, 2016

### 1) Period Covered

This report covers the period from the last Annual General Meeting held on September 23, 2015 to the time of this report in preparation for the Annual General Meeting of October 3<sup>rd</sup>, 2016.

### 2) Membership

	23.09.2015	+ / -	11.09.2016	Objective	Success
Corporate contributing members	0	0	0	2	-2
Corporate members	1	+18	19	18	+1
Business members	10	-1	9	28	-19
Individual members	0	+30	30	47	-17
Associate members	0	+3	3	18	-15
<b>Total members</b>	<b>11</b>	<b>+61</b>	<b>55</b>	<b>113</b>	<b>-52</b>

### 3) Database

The CanCham database was updated and has the following entries:

- 882 entries of people who are invited to CanCham events (2015-126).
- 87 entries of people who are notified of CanCham events but live abroad (2015-70).
- 81 member contacts
- 35 in Estonia and Lithuania
- 953 Total database

### 4) Finances

#### Income and expenditure summary

Nr. p.k.	Item name	01.01.2015	30.09.2015	2015/2016 Actuals vs Budget		
				08.08.2016	Budget	Variance
I	Membership fees, entrance fee and other a		285.00	4,695.00	10,930.00	-6,235.00
II	Donations and gifts received, sponsorship		188.55	50.00	0.00	50.00
III	Received inheritances				0.00	0.00
IV	Grants received				0.00	0.00
V	Revenue from events		1,075.00	3,962.53	2,100.00	1,862.53
VI	Repaid PVN			149.1	0.00	149.10
VII	Other revenue					
<b>VIII</b>	<b>Total revenue</b>		<b>1,549.00</b>	<b>8,857.00</b>	<b>13,030.00</b>	<b>-4,173.37</b>
IX	Expenditures:					
	1. Event costs		1437.1	1,890.50	900.00	-990.50
	2. Office expenses			47.15	350.00	302.85
	3. Accounting and administrative services			3,100.00	6,000.00	2,900.00
	4. Marketing and PR Services			1,010.18	2,486.00	1,475.82
	5. Gifts			100.75		-100.75
	6. Website domain			28.00	200.00	172.00
	7 Bank charges		35.39	46.57	120.00	73.43
	8 issued but unpaid bills			103.00		-103.00
	9 Overpayment Expenses			0.00		0.00
	Meeting expenses				275.00	275.00
	Annual Meeting				500.00	500.00
	Representation / other chambers				600.00	600.00
	Unanticipated				1,100.00	1,100.00
X	Taxes			650.90		
<b>XI</b>	<b>Total Expenses</b>		<b>1,472.49</b>	<b>6,981.08</b>	<b>12,531.00</b>	<b>6,204.85</b>
<b>XII</b>	<b>Revenue and expenditure difference</b>		<b>76.06</b>	<b>1,875.55</b>	<b>499.00</b>	<b>2,031.48</b>

Cash on hand			740.14
Cash in bank	394.85	470.91	1606.32

## 5) Annual General Meeting September 23, 2015

Five people representing four members and holding 4 proxy votes attended the AGM on September 23, 2015. Ed Kalvins was elected President and Irena Cīrule, Samuel Davidovich, Valters Kronbergs, Indra Sproģe-Kalviņa were elected to the Board of Directors. Henrik Mjoman, Haralds Ozols and Juris Paegle were elected to the Audit Committee.

## 6) Board of Directors / Audit Committee – Meetings

The Canadian Ambassador to Latvia, Mr Alain Hausser, is the Honorary Chairman. A total of 3 Board meetings were held during the period. A total of 1 Audit Committee meetings were held during the period.

## 7) Summary of activities

October, 2015 to July, 2016 was an intense period of adjustment for the CanCham. This included:

- CanCham's objective's, services and benefits to members were reviewed and redefined,
- New programs were introduced to promote the business interests of members and cooperation between Canada and Latvia,
- the CanCham web site was upgraded with numerous sections being added,
- a CanCham Face Book page was developed in November, 2015,
- the use of a secret Face Book page for the Board had been proposed to facilitate communication,
- an operating budget was prepared,
- the bookkeeping system was computerized and developed to accommodate increased activity levels,
- a new strategy was adopted and implemented for recruiting new members,
- membership was increased to 55 members.
- The web site contact list was expanded to 882 addresses for events in Latvia, and a total mailing list of 953 addresses.
- 18 events were organized

## 8) CanCham Objectives and Programs

The objectives were defined as being "The Canadian Chamber of Commerce in Latvia actively promotes the business interests of its members, ..." and described in <http://cancham.lv/about-cancham/objectives>.

<http://cancham.lv/about-cancham/programs> defines the Partnership for Profit (PfP) and Governance programs. PfP was launched in January, 2016, while the Governance program is to be launched in September, 2016. Both programs are still in the development process.

## 9) Activities

The following are 18 CanCham events during the period:

- Meet the Canadian Ambassador, H.E. Alain Hausser who hosted a post-election event at the Canadian Embassy, November 5<sup>th</sup>, 2015
- Dinner with Artis Pabriks – Topic: CETA, January 14th
- Business after Hours "Meet the Members" at Antica Roma, February 11th
- Business after Hours at Latvia Dental, March 9th
- "Financing Development", March 22nd
- Business after Hours at Statoil re-branding, April 12th
- "Creating Visibility - How to present ourselves", May 26th
- "Development Opportunities and Business Environment in Riga" - June 15th
- Canada Day, Friday, July 1st, 2016
- Exports, Investments, Strategic Partners, and meet the new Latvian Ambassador to Canada, July 19<sup>th</sup>,
- Partnership for Profit program orientations on February 3rd and 9th, March 1st, August 24th, 25th, and 31st.
- Launch of the Governance Program on September 7<sup>th</sup>
- NATO Business Lunch on September 22<sup>nd</sup>, together with Norwegian, American, British and Swedish chambers.

The CanCham also promoted and/or participated in the following Canadian Embassy events or events promoted by the Canadian Embassy in Latvia:

- 05.12.2015 the International Women's Club (IWC) 19<sup>th</sup> International Charity Christmas Bazaar
- 24.02.2016 International education fair "SKOLA 2016"
- 09.03.2016 the 5th Francophone Film Days
- 24.03.2016 The Economic Freedom Seminar.

- 07.07.2016 The Canadian Embassy reception at the Latvian National Museum of Art on the occasion of Canada Day and the 25th anniversary of the re-establishment of Canada-Latvia diplomatic relations.
- 11.07.2016 The Canadian Embassy maple tree planting ceremony.

CanCham Representatives also participated in the following:

- 23.11.2015 meeting with Taipei Mission representatives promoting CanCham and Taiwan cooperation.
- 07.03.2016 BACC (Baltic & Arab Chamber of Commerce) reception promoting Arab-Latvia cooperation.
- 19.03.2016 Prime Recruiting new office grand opening and CanCham presentation to guests.
- 07.06.2016 Team Finland garden Party at the Finnish Embassy promoting Finnish-Latvia cooperation
- 08.06.2016 „Baltijas Helikopters” opening of the first certified helicopter terminal in Riga.
- 19.06.2016 Sam Davidovich attended a Canadian Council for the Americas event featuring a presentation from The Honourable Chrystia Freeland, Minister of International Trade.
- 03.08.2016 Farewell reception for Ambassador H.E. Gary Ko of the Taipei Mission/

See <http://cancham.lv/news> for additional details.

## 10) Partnerships

07.06.2016 CanCham and CERBA ([www.cerbanet.org/](http://www.cerbanet.org/)) have entered into a cooperation agreement which covers projects, investment, strategic partners and general cooperation. Members interested in participating in such cooperation should inform the Board.

## 11) Web Site

- The following sections were updated in the CanCham Web Site:
  - <http://cancham.lv/about-cancham/the-board>
  - <http://cancham.lv/events>
  - <http://cancham.lv/cancham-members/membership>
- The CanCham Web Site was expanded with the following section being added:
  - <http://cancham.lv/welcome>
  - <http://cancham.lv/news>
  - <http://cancham.lv/about-cancham>
    - <http://cancham.lv/about-cancham/partners>
    - <http://cancham.lv/about-cancham/objectives>
    - <http://cancham.lv/about-cancham/programs>
    - <http://cancham.lv/about-cancham/benefits>
    - <http://cancham.lv/about-cancham/to-join>
    - <http://cancham.lv/about-cancham/invitation-to-canadians>
    - <http://cancham.lv/about-cancham/invitation-to-latvians>
    - <http://cancham.lv/about-cancham/aicinajums-uznemejiem>
  - <http://cancham.lv/cancham-members>
    - <http://cancham.lv/cancham-members/member-services-in-baltics>
    - <http://cancham.lv/cancham-members/new-members>
    - <http://cancham.lv/cancham-members/canadians-in-the-baltics>
    - <http://cancham.lv/cancham-members/export>
    - <http://cancham.lv/cancham-members/healthcare-pharma>
    - <http://cancham.lv/cancham-members/construction>
    - <http://cancham.lv/cancham-members/business-support>
    - <http://cancham.lv/cancham-members/tourism--recreation>
    - <http://cancham.lv/cancham-members/promotions>
  - <http://cancham.lv/member-expectations>
  - <http://cancham.lv/info-for-canadians>
- A new Face Book “Canadian Chamber of Commerce in Latvia” web page was created on November 5<sup>th</sup>, 2015 to post information for the general public – see <https://www.facebook.com/canchamlatvia/>. The page has 240 followers.
- A “secret” Face Book group page called “CanCham Latvia Board” which had limited access to Board and Audit Committee members had been established in early 2015 to facilitate decision-making. However, this method of communication was not accepted by some Board members.

## 12) Recruiting

It was recognized that membership levels in the CanCham were in need of improvement. The CanCham's objectives were reviewed and programs introduced that were expected to attract entrepreneurs to the CanCham.

A strategy involving both communication and a success based rewards program was presented and adopted. Communication involved contact with a potential member, informing this member about CanCham activities, arranging for the CanCham member to receive an invitation and further information from the Chairman, ensuring that membership payment is received, welcoming the member to the activities of the CanCham and helping the member maximize his benefits. A total of 784 such invitations were sent out. The success based rewards program was based on the fact that the CanCham cannot afford to employ administrative personnel at salary levels needed to assure service levels or results. This also insured that the CanCham is not exposed to fixed cost commitments.

Despite all the efforts and the obvious successes, it has been extremely difficult to attract new members and has turned out to be a very time-consuming exercise. Many people are already members of different chambers and don't see the need to join another. A major comment has been that chambers do not effectively promote the business interests of its members, and while the CanCham emphasizes that promoting its members interests is primary objective, many are sceptical. The fact that Canada is a "land far, far away" detracts from the recruiting effort and makes Canada irrelevant to many.

The CanCham is building "a Canada brand" positioning both Canada and Latvia as international players, promoting CETA as an opportunity for business and cooperation between Canada and Latvia that will not only benefit both countries, but provides international advantages, opportunities and benefits. We need our members to help spread the word.

## 13) Finance and Administration

The CanCham has traditionally not paid for services associated with its operations. These costs have either been absorbed by the President, or the services have simply not been provided. This is in contrast to all other Chambers whose administrative services range from those who pay for bookkeeping and basic administration, to those who have four, full time salaried employees. Remuneration is known to range from €600 for part time or contract service providers to a salary of €1,400 per month for full time staff. Furthermore, bookkeeping rates are fairly well defined in the industry - see <http://www.datums.lv/gramatvedibas-pakalpojumu-cenas.html> for an example of current rates. We are in the 100 transaction range, meaning that bookkeeping services themselves are €182 per month – paid to a company.

Indra Sproģe-Kalviņa of "TP Riga" SIA has been both providing administrative services and has undertaken bookkeeping responsibilities for the CanCham. Of the membership at the start of the period, Indra was the only one qualified and willing to undertake this responsibility, particularly with one of the conditions being that if the CanCham had no funds, payment would not be made. In reviewing the "Associations and Foundations Law", it was determined that it is more advantageous and simpler for an Association to enter into contractual agreements with a third party as apart from hiring employees. Hence a contract for €300, not including PVN was signed between the CanCham and "TP Riga" SIA to provide bookkeeping and administrative services since "TP Riga" SIA is also registered with VID for providing accounting services. It is recognized that the remuneration amount is not competitive to other chambers for the work being done and will be the subject of future discussion.

The CanCham is currently not supported by significant Canadian based companies (except for Statoil/Circle-K), nor is it subsidized by embassies or government as is the case for many other chambers. In fact, larger companies from home countries are the financial back-bone of other chambers. However, the CanCham's current policy reflects the importance making membership affordable with the emphasis on activity – hence the relatively low membership fees. There are no plans to change the fee structure. Charges to CanCham functions are kept to a minimum and include the venue cost plus €3.00, with the €3.00 covering miscellaneous costs. CanCham intends to increase revenue by increasing membership in order to enhance networking opportunities for all concerned.

The Chamber has also applied for and been granted VAT payer's status.

## 14) CanCham Governance

In July, 2016, the CanCham Board recognized that it was not compliant with numerous aspects of its statutes and the law governing associations and undertook corrective measures. These have been addressed both by the Board and by the Audit Committee.

Ed Kalvins  
President  
Canadian Chamber of Commerce in Latvia