

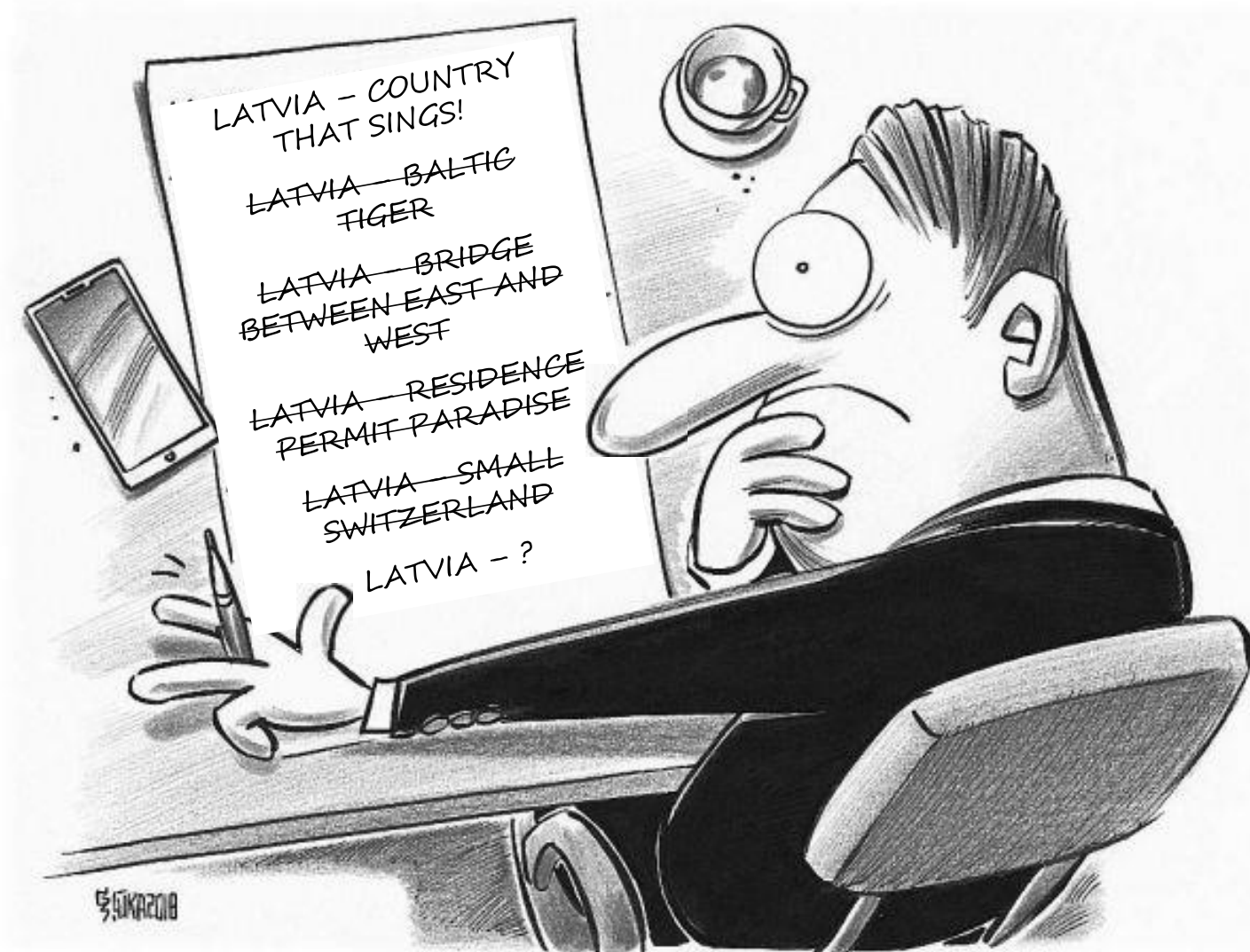


LATVIA



Prime Minister
Republic of Latvia

LATVIA – QUO VADIS?





Prime Minister
Republic of Latvia

MAIN TARGET

ACHIEVE FASTER ECONOMIC GROWTH AND
WELFARE OF THE POPULATION

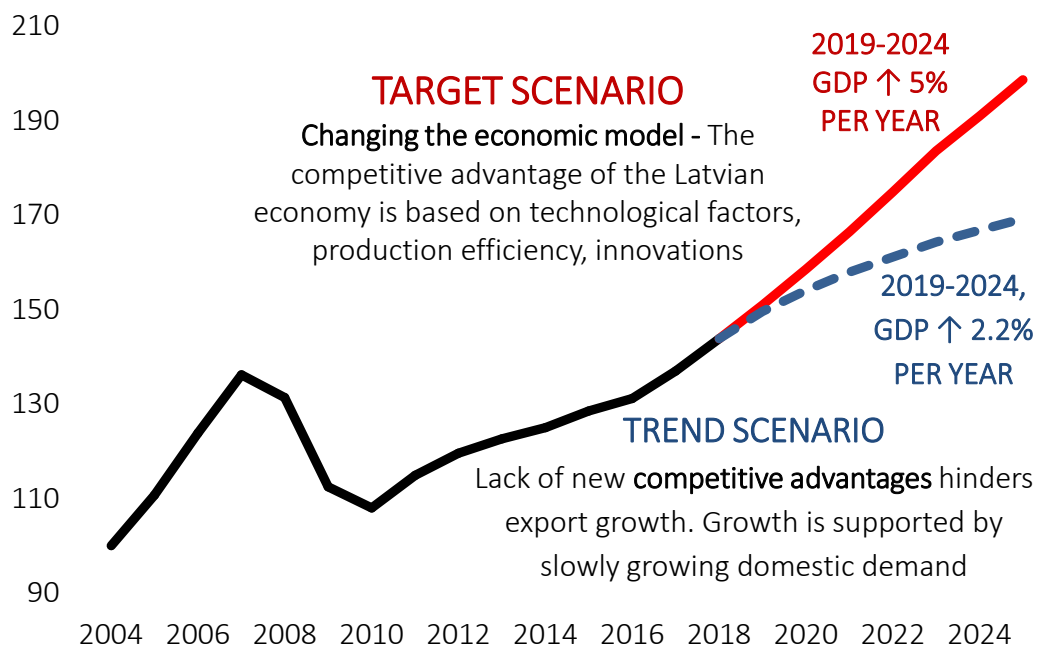
NATIONAL
DEVELOPMENT
PLAN 2020



THE GOVERNMENT DECLARATION

GDP

at constant prices, 2004 = 100

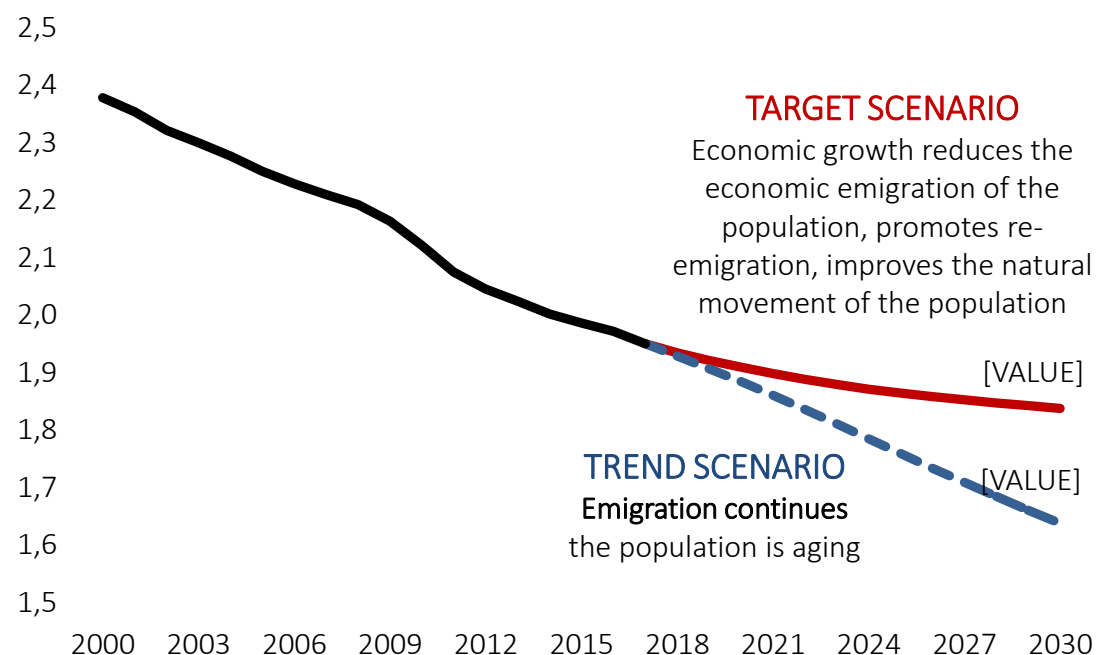


ECONOMIC DEVELOPMENT AS THE
MAIN FACTOR FOR IMPROVING
DEMOGRAPHIC SITUATION



Population

Number of inhabitants, mln





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Republic of Latvia

SUSTAINABLE ECONOMIC GROWTH → INCREASED PRODUCTIVITY AND EFFICIENT USE OF AVAILABLE RESOURCES

CONTINUOUS IMPLEMENTATION OF GOALS UNDER THE GOVERNMENT DECLARATION!

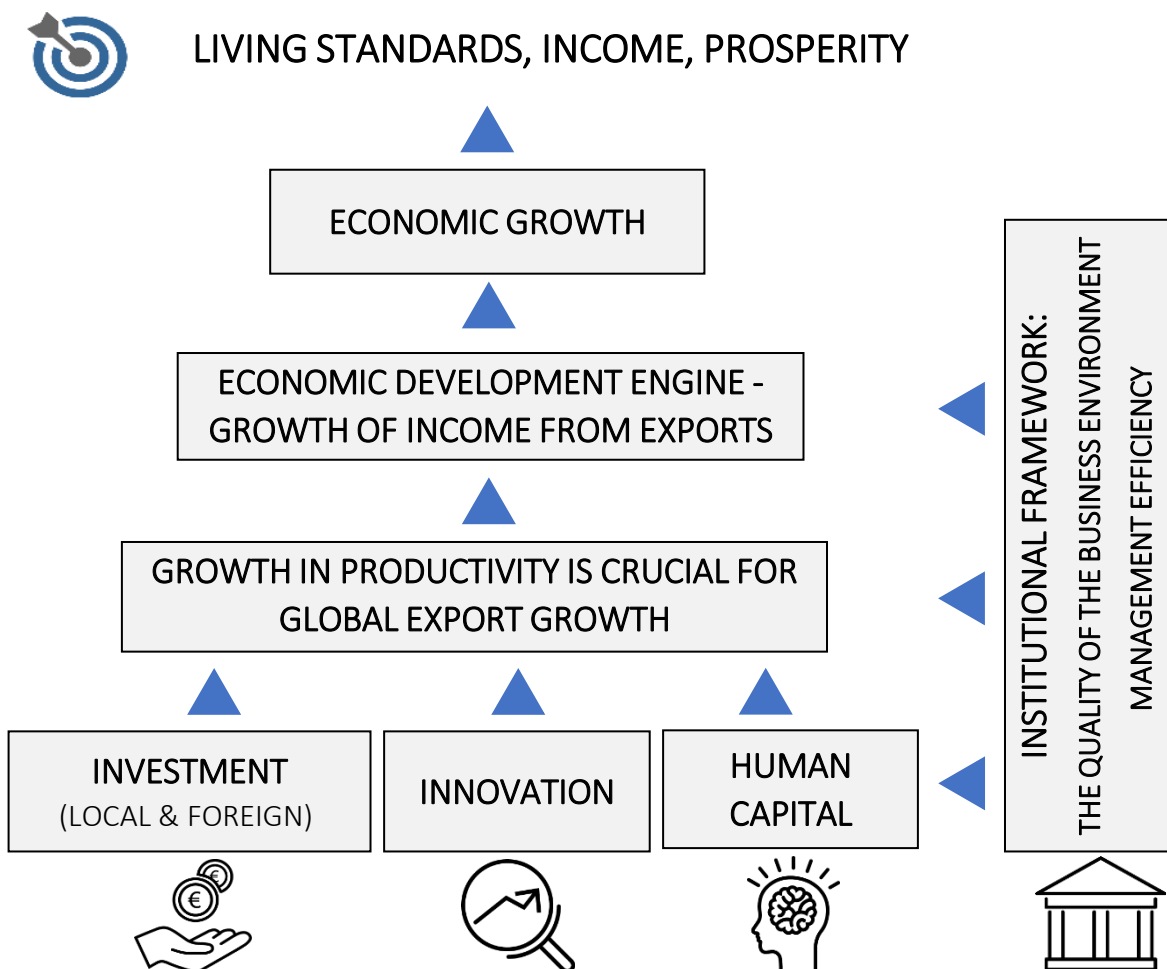
❑ CHANGE IN THE ECONOMIC GROWTH PARADIGM

– focus from a labour-intensive economy to a knowledge-intensive and technology – intensive economy

❑ GLOBAL CHALLENGES AS LATVIA'S OPPORTUNITY

– growth in the world population, aging societies (especially in Europe), external migration / internal mobility, industry 4.0, etc.

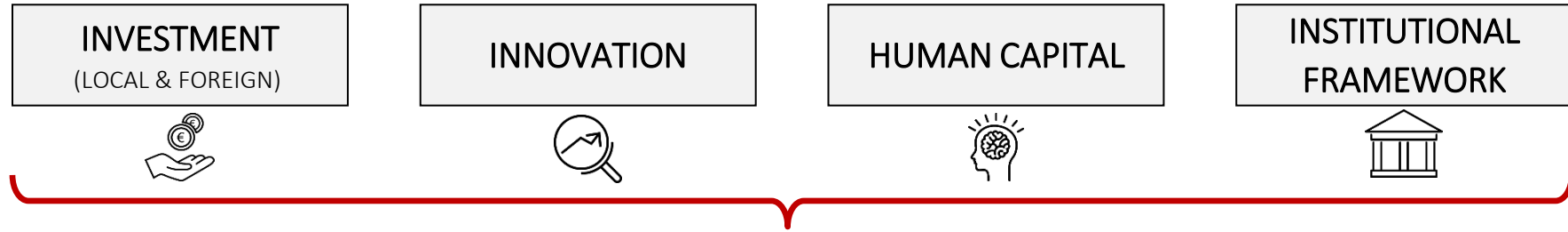
❑ LATVIA HAS TO BE ABLE TO PROVIDE SPECIFIC COMPETENCES AND APPROACHES in both science and business - integration of niche products into global value chains, public services as a platform for product incubation





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HOW TO CONTRIBUTE TO MORE RAPID DEVELOPMENT ?




Government will continue to implement reforms in education and health, improve business environment and address the entrepreneurship «hygiene» issues

In parallel, we should jointly develop:


❑ **SEGMENTATION OF PRODUCT DIRECTIONS IN THE FIELDS WHERE LATVIA HAS COMPETITIVE ADVANTAGE**


 **Bio-economy as a traditional sector** - functional food, plant genetics, wood chemicals, production of wooden houses, etc.


 **Bio-medicine and smart materials in the sectors with high growth potential** - genetic engineering, medical digital infrastructure, robotics – multi-robot systems etc.

 **Smart energy and ICT as horizontal areas** - intelligent transport systems, climate change and energy generation and recovery solutions, etc.

❑ **DEVELOPMENT OF PRODUCT MANAGEMENT ECOSYSTEM** - for both domestic "players", incl. R & D, and attracting FDI

 **Public administration proactively addresses economic operators and R&D professionals regarding the solutions needed to change the investment structure** – flexible adjustment of internal regulations or support instruments, export incentives which support entrepreneurs to integrate into global value chains, opening of public databases, creation of a «green corridor» for technology-intensive products

 **To introduce a principle that public services (transport, energy, healthcare, etc) can serve as a platform for incubation of technology-intensive export-oriented products**

 **To develop a structured dialogue with the «best performers» of Latvian companies on the development of new products for the global market, thereby strengthening the cooperation between business and research**



Ministry of Economics
Republic of Latvia

ECONOMIC DEVELOPMENT TRENDS

Arvils Ašeradens
Deputy Prime Minister
Minister of Economics



Ministry of Economics
Republic of Latvia

ECONOMIC DEVELOPMENT IS FOSTERING

Economic growth

+4.2%

Manufacturing

+5.3%

Exports

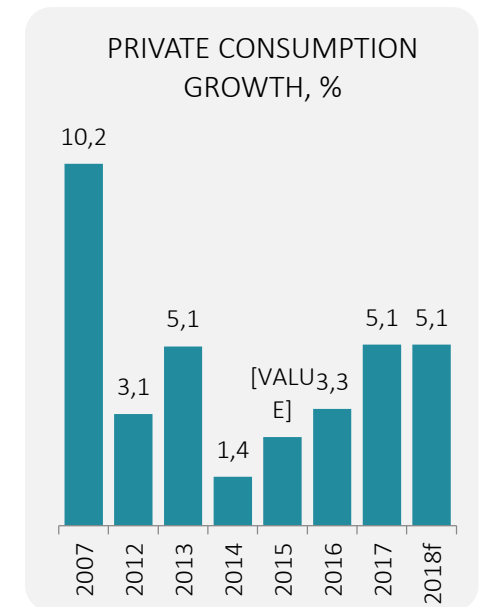
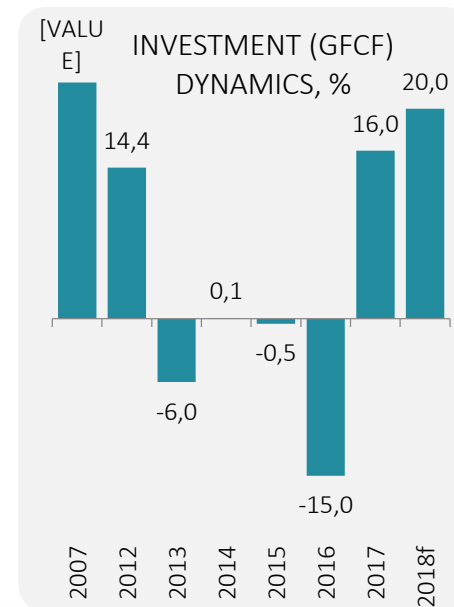
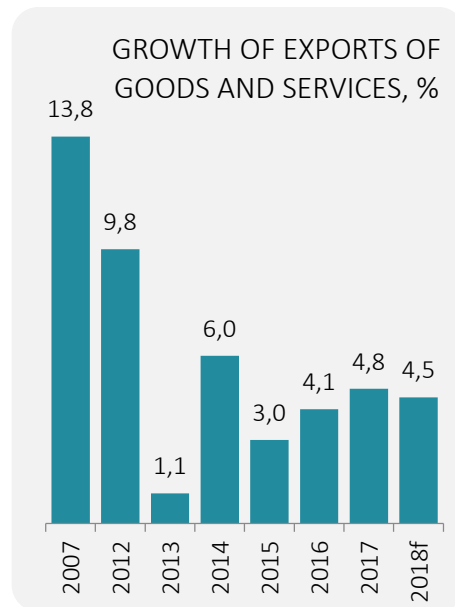
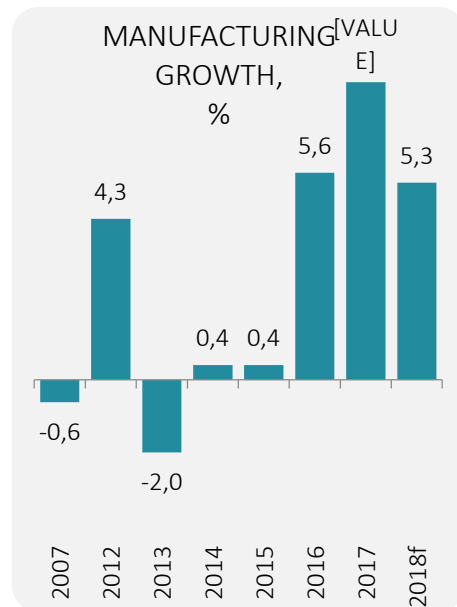
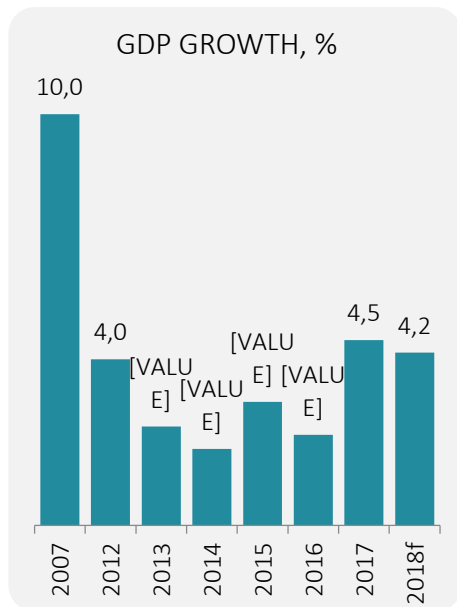
+4.5%

Investment

+20%

Private consumption

+5.1%



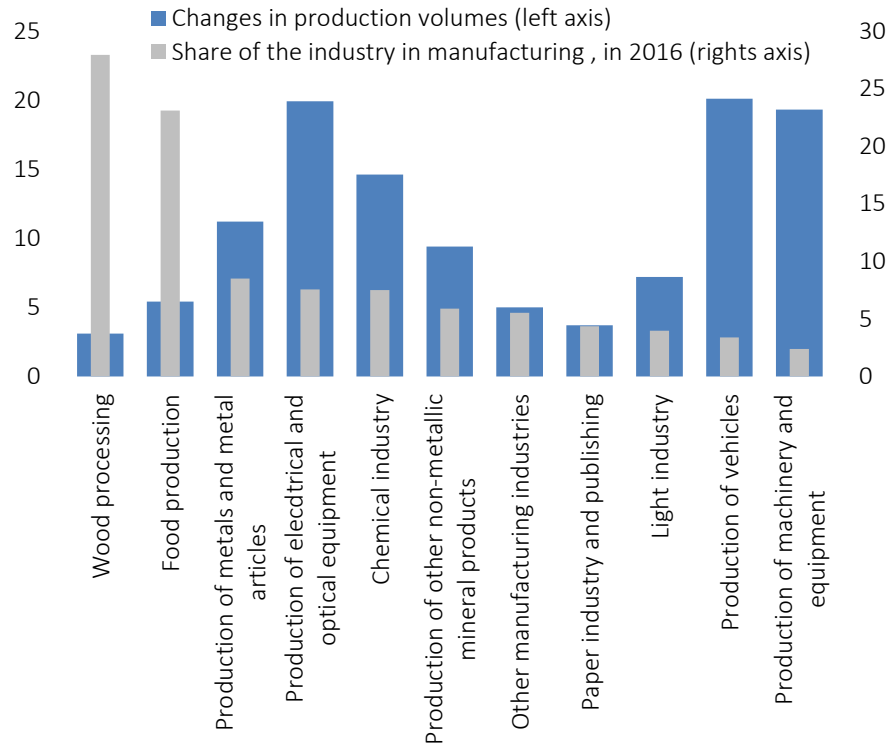
Source: CSB, f - Forecast of MoE



MANUFACTURING GROWTH EXCEEDING EXPECTATIONS

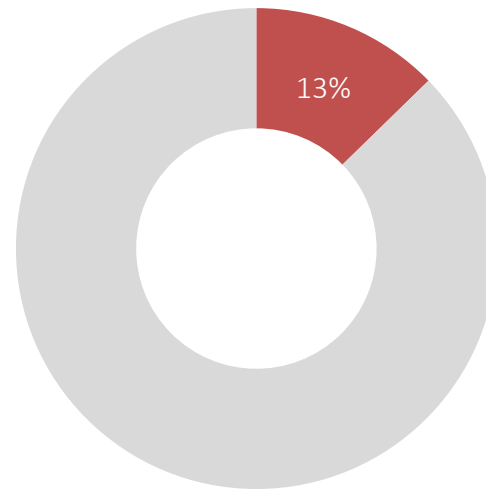
Dynamics of manufacturing sectors

2017 against 2016, %



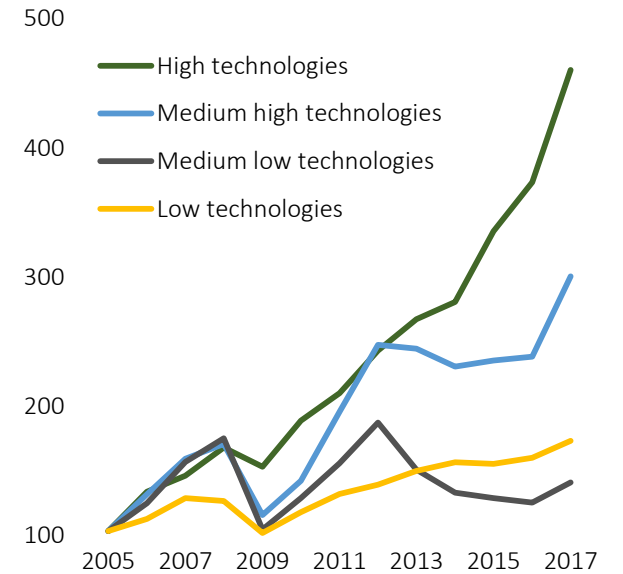
GDP structure

percentage



Manufacturing production volume index and structure by technology levels

2004 = 100, structure in 2016, percentage

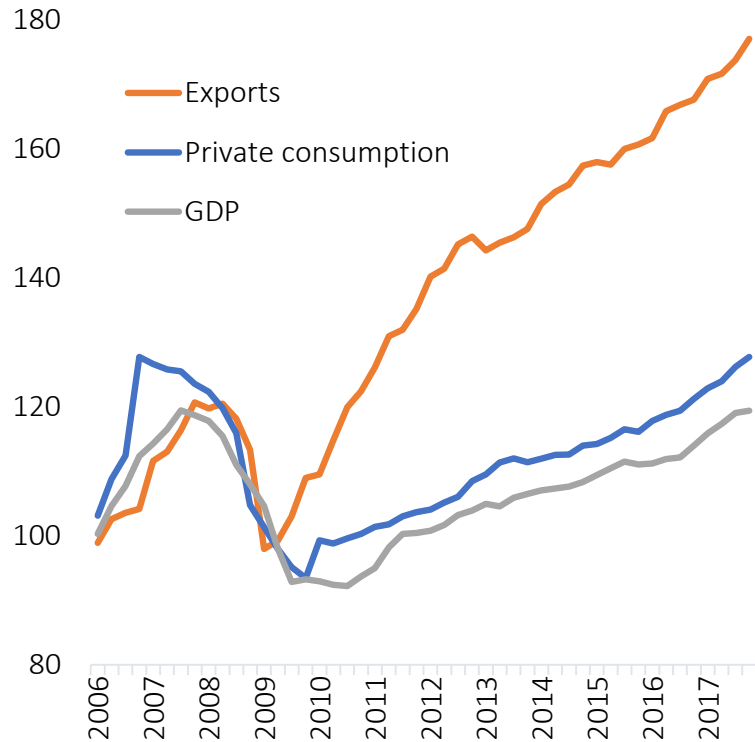




EXPORTS MORE DIVERSIFIED

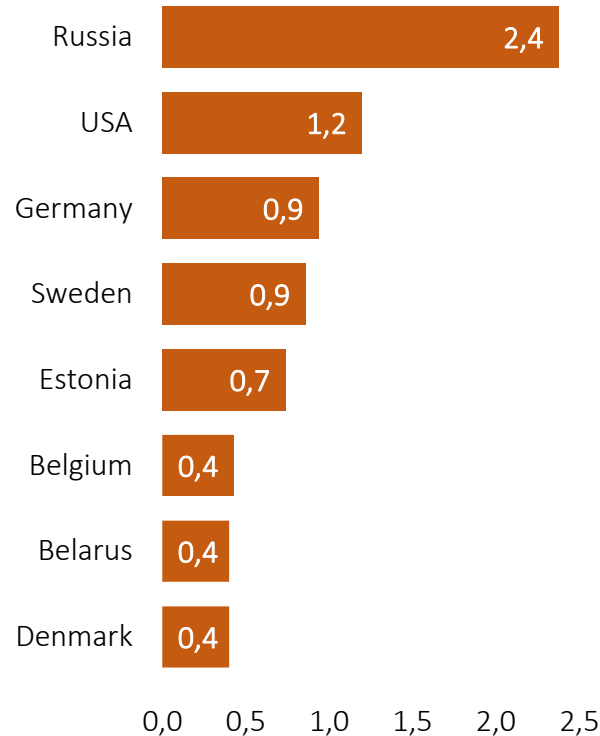
GDP, domestic demand and exports

Seasonally Adjusted Data, 2005 Q4 = 100



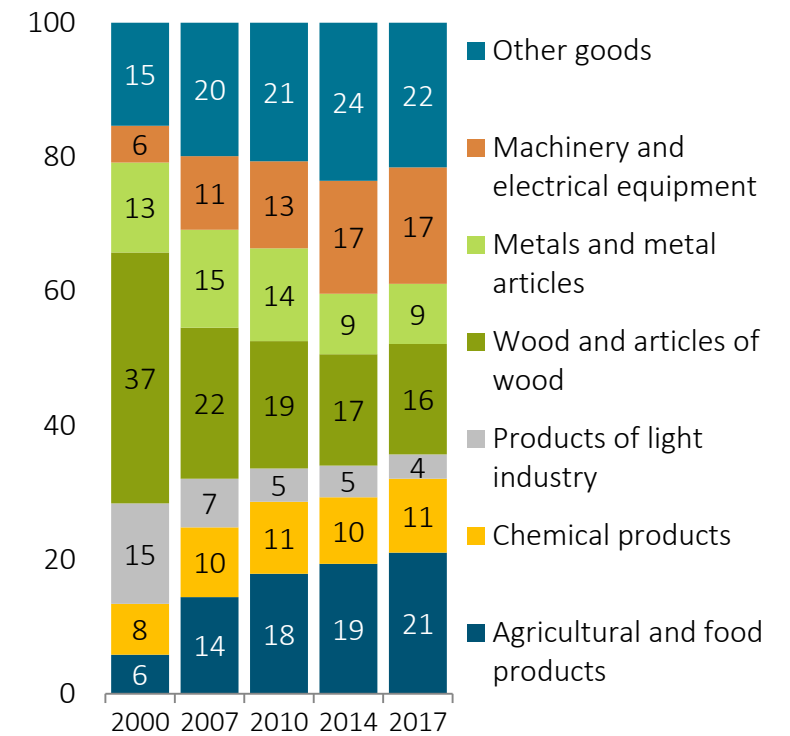
Countries with the greatest contribution in growth of exports in 2017

Percentage points



Structure of exports

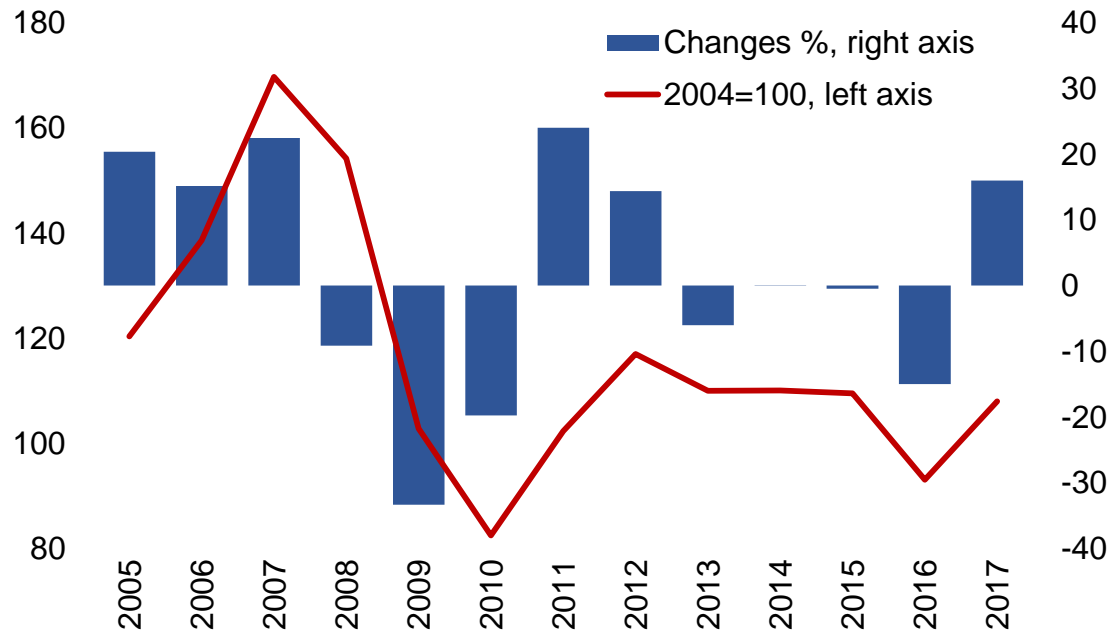
By groups of products, %





INVESTMENTS (GFCF) ARE REGAINING GROWTH

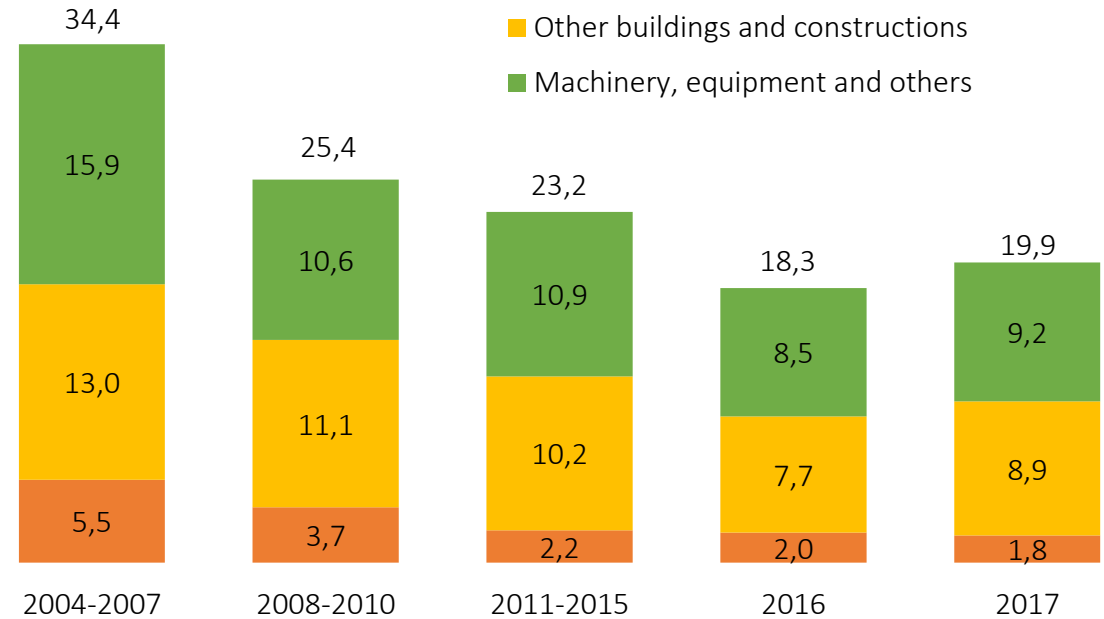
Investments = Gross fixed capital formation



Investments by type of assets

% of GDP

- Housing
- Other buildings and constructions
- Machinery, equipment and others



In 2017 investments in gross fixed capital formation was EUR 5.4 billion

In comparison with 2016, they increased by 16%, int.al. Investments have increased in:

- ✓ Housing, other buildings and constructions – by 16,4%
- ✓ Machinery and equipment – by 13,7%
- ✓ Investments in the products of intellectual property (research, computer software, data bases, copyright, etc.) – by 25%



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MACROECONOMIC STABILITY IS MAINTAINED

Annual inflation

+2.6%

Crediting is weak

-2.5%

Budget is balanced

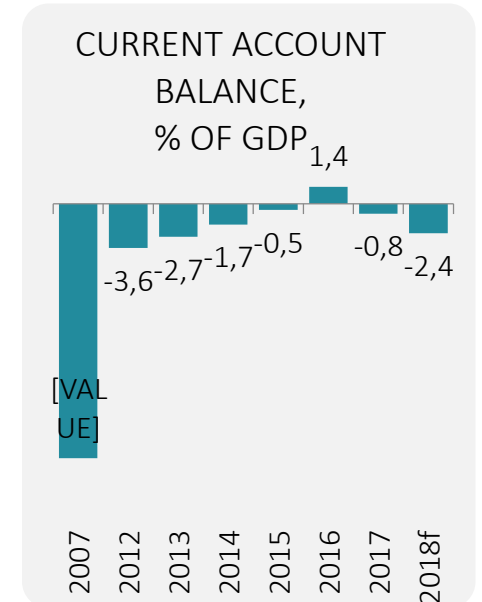
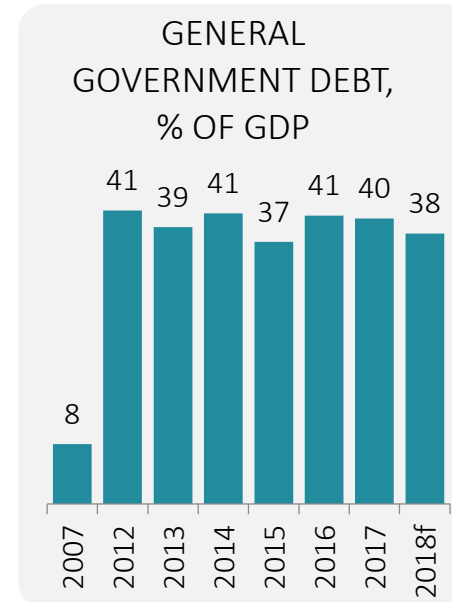
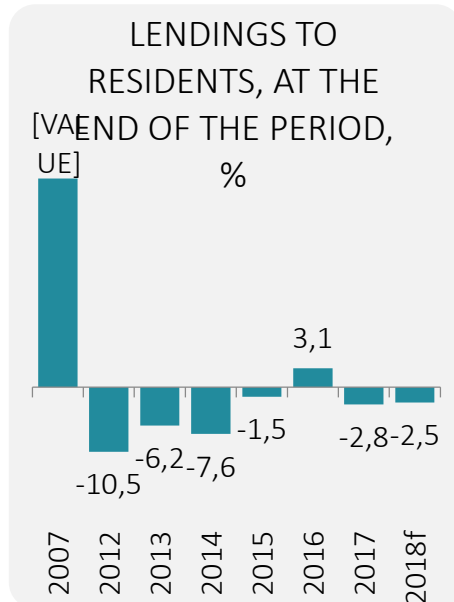
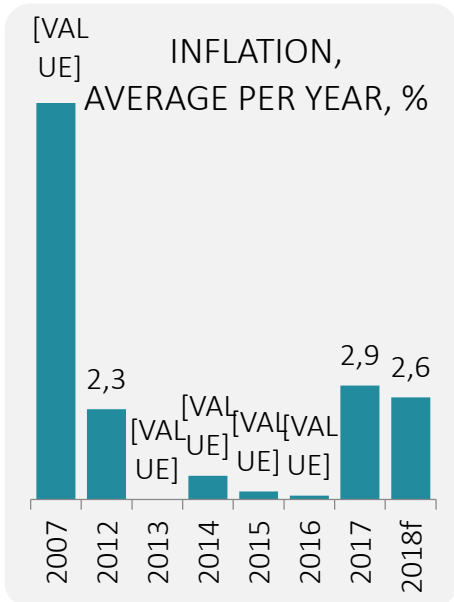
-1%
of GDP

State debt

38%
of GDP

Current account balance

-2.4%
of GDP



Source: CSB, LB, f - Forecast of MoE, MoF

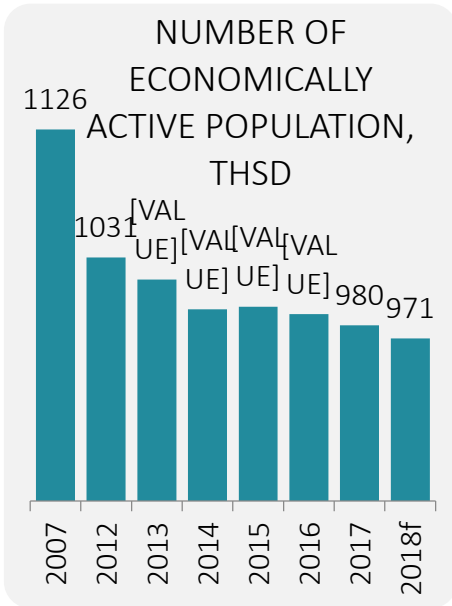


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GROWING TENSION IN THE LABOUR MARKET

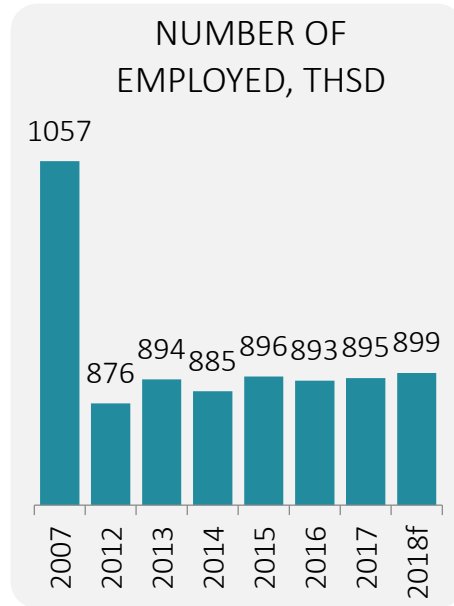
Number of economically active population decreases

-1%



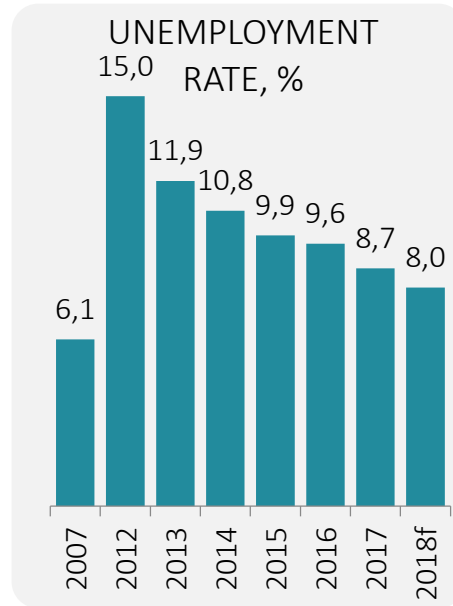
Number of employed is not increasing

+0.4%



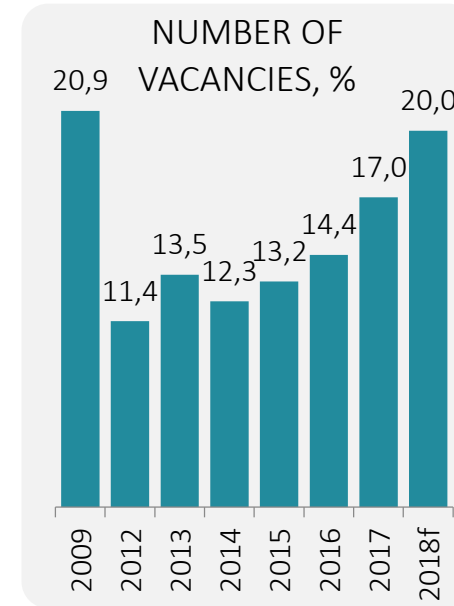
Unemployment rate decreases

8%



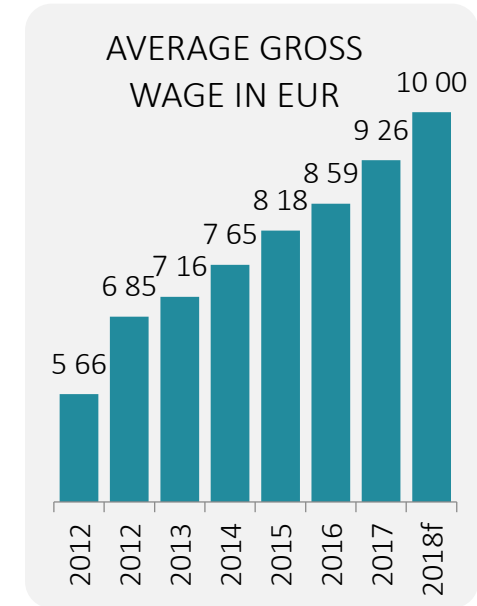
Vacancies increases

20 thsd



Wages increases

+8%



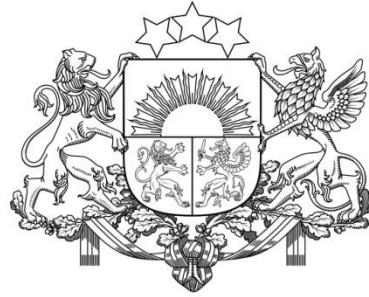


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MAIN CHALLENGES

- DEMOGRAPHICS AND HUMAN CAPITAL DEVELOPMENT
- DYNAMIC PRODUCTIVITY / COMPETITIVENESS GROWTH
- INTEGRATION OF LATVIAN COMPANIES IN GLOBAL VALUE CHAINS
- FINANCIAL SECTOR DEVELOPMENT
- EFFICIENT PUBLIC SERVICES





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TAX REFORM, SHADOW ECONOMY, FINANCIAL SECTOR

Dana Reizniece-Ozola
Minister of Finance



TAX POLICY CHANGES AS A COMPLEX SOLUTION

INCREASING COMPETITIVENESS AND EXPORT, REDUCTION OF INCOME INEQUALITY
AND ENSURE TAX REVENUE 1/3 OF GDP



STRATEGY FRAMEWORK

- Review of tax structures and rates
- Improving tax administration
- The fight against the shadow economy

PRINCIPLES

- Predictability and a long-term vision
- Regional competitiveness
- Tax motivation for growth
- Tax neutrality
- Lending and capitalization improvement
- Reducing the cost of tax administration

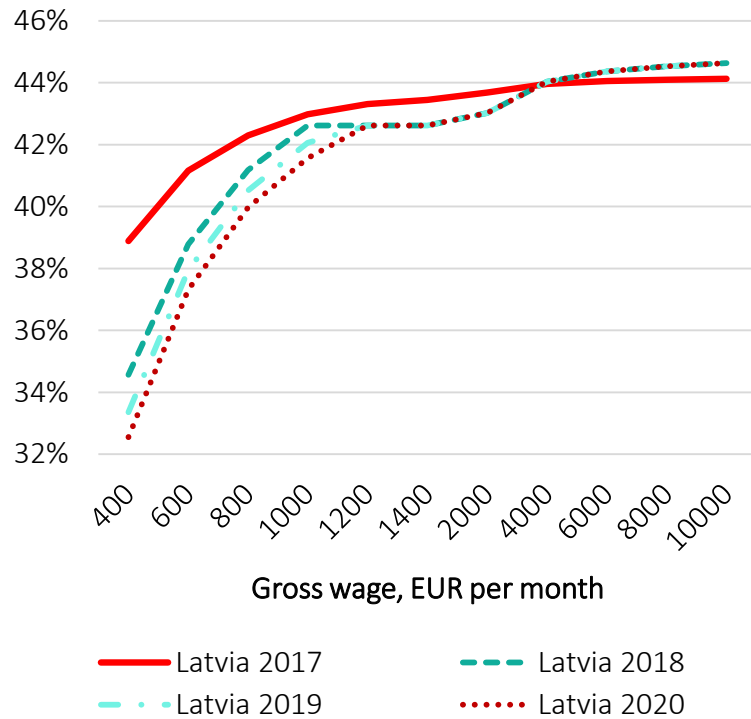
POSITIVE impact on economy

- More competitive entrepreneurs, better capitalized businesses, more opportunities to raise additional funds for development;
- More equality between different income groups and types of income;
- Raise of disposable income of employees inducing private consumption;
- Higher tax revenue resulting from increased economic activity and less tax avoidance.

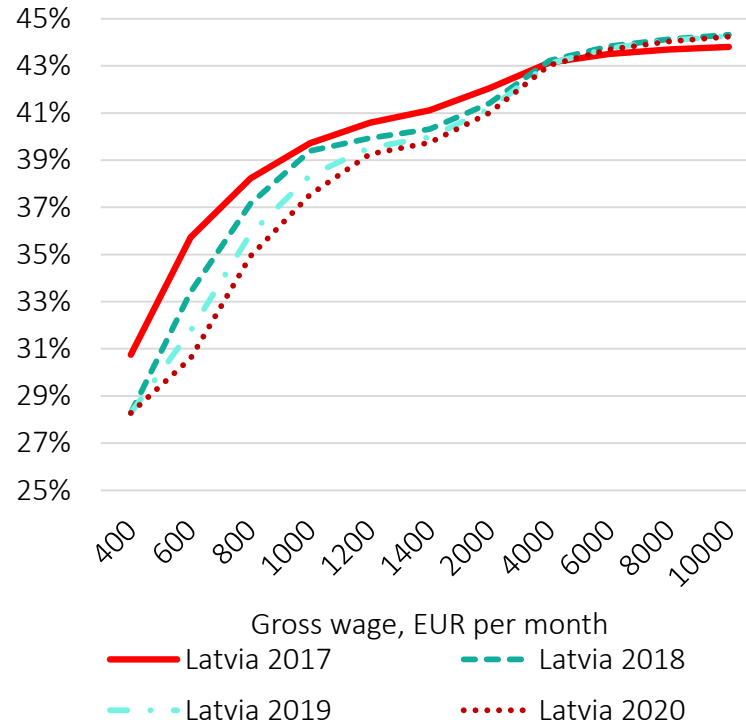


LABOR TAX WEDGE

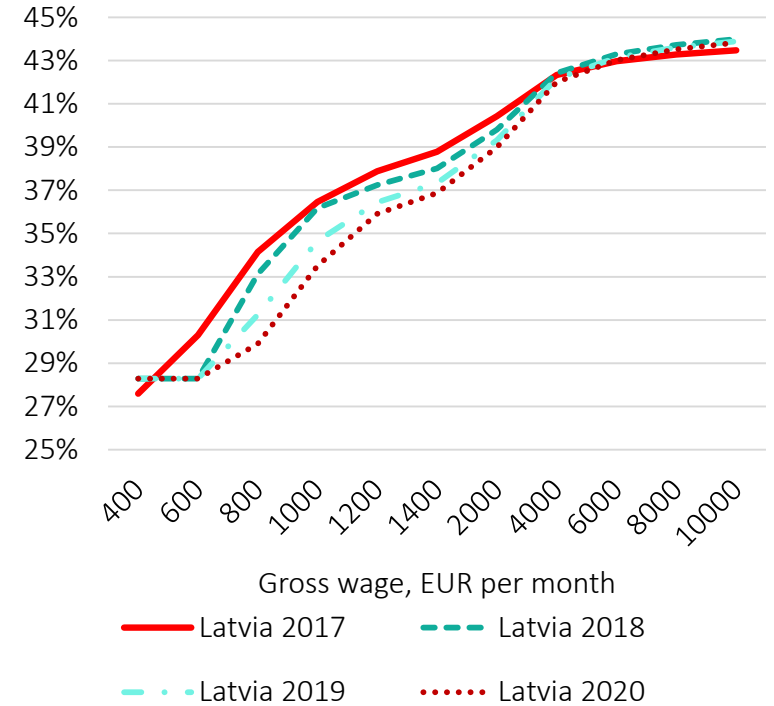
Tax Wedge
(employee without dependants)



Tax Wedge
(employee with one dependant)



Tax Wedge
(employee with two dependants)



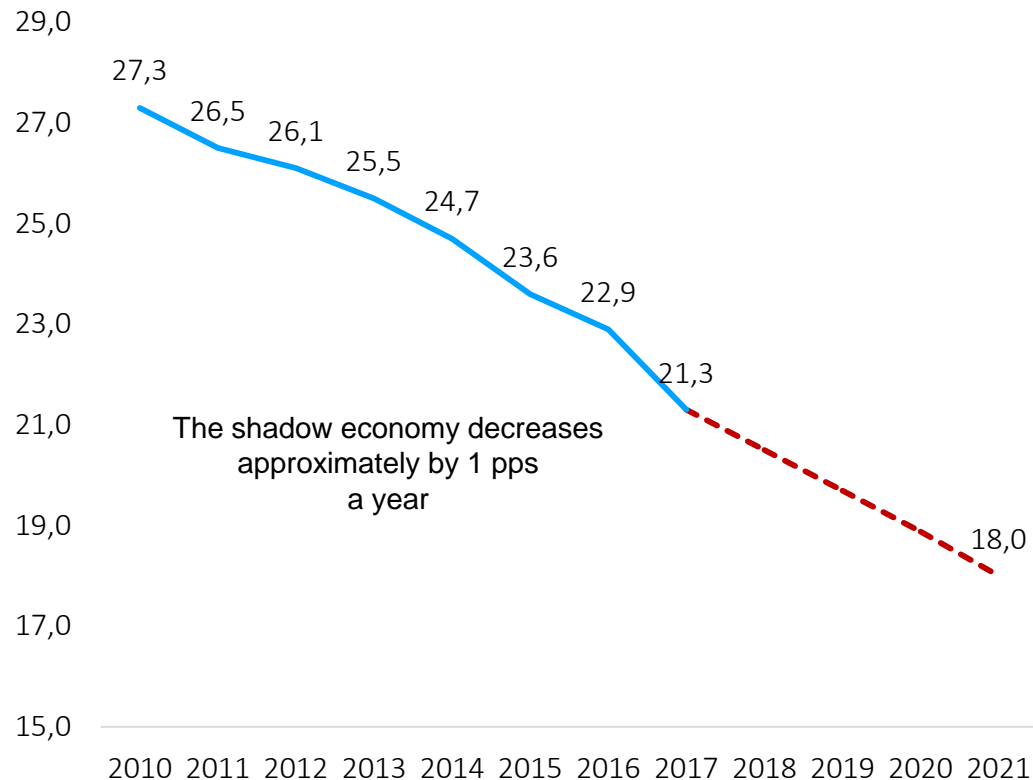


THE SHADOW ECONOMY

OBJECTIVE – 18% OF GDP IN 2021

Estimates of the amount of the shadow economy in Latvia 2010-2015

(% of GDP, according to Prof. Dr. F. Schneider)



- The main tasks for reducing shadow economy implemented according to the National Authorities' Action plan for the shadow economy restriction for 2016-2020 were:
 - Broadening use of the VAT reverse charge;
 - An obligation on credit institutions and payment service providers to provide information on a individual if his account turnover exceeded EUR 15 000 in the previous year;
 - Introduction of electronic records of employees on the construction site;
 - Broadening the exchange of information;
 - etc.
- The implementation of the plan continues in 2018 and Ministry of Finance with relevant authorities working on introduction of single account for all tax payments, improvement of the tax control process, improvement of legislation in the real estate market field, etc.



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COMBATING ECONOMIC AND FINANCIAL CRIME

Facilitating more effective role of **State Revenue Service**: Established common **Tax and Customs Police Department**

Concentrated specialised resources in a new SRS unit – **Anti -Money Laundering Department**

Enhanced **analytical capacity of SRS**:

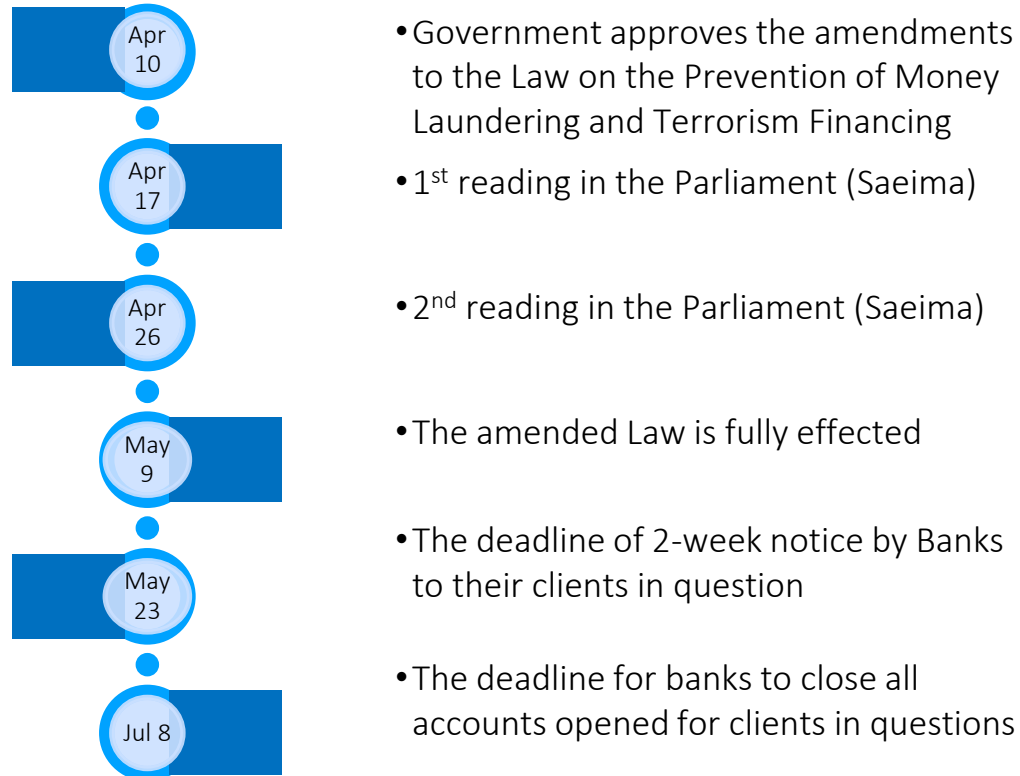
- improved and streamlined process of risk analysis and analysis of taxpayer data; a **taxpayer rating system** will be established; cooperation with business associations; improving analytical and audit capacity through the **World Bank project**

Based on the proposal of the Association of Latvian Commercial Banks JMLIT (UK) type co-operation model has been introduced



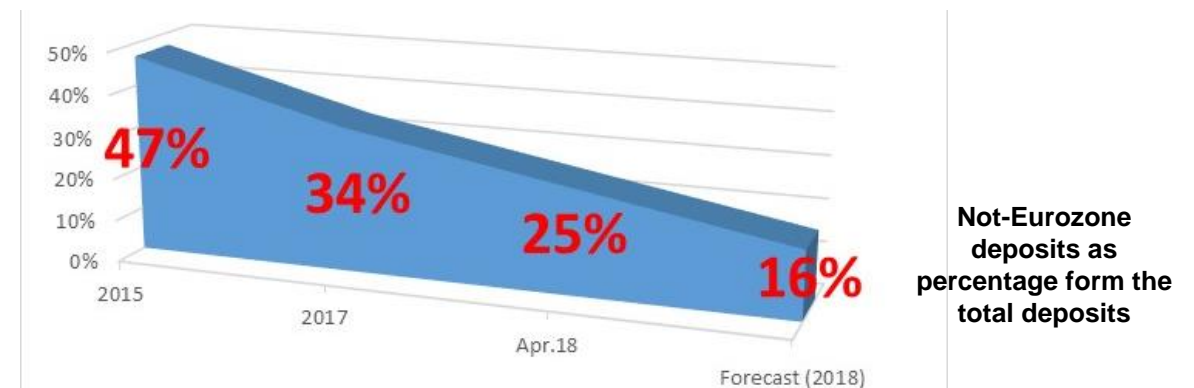
FINANCIAL SECTOR – CHANGE OF BUSINESS MODELS AND TOUGHER AML/CFT REQUIREMENTS

Timeline for the enforcement of the amendments to the Law on the Prevention of Money Laundering and Terrorism Financing



Share of foreign client deposits shrinks

- All credit institutions in Latvia specialising in foreign customer service have been provided with initial information about the necessity to ensure faster changes in the business model of the bank, in order decrease the share of high risk transactions. In doing so foreign clients servicing banks had to submit to the FCMC plans for restructuring of their business models.
- FCMC is supervising the change of the business models of the credit institutions, by reducing the share of highest risk customers.
- Strengthening of EU framework and international engagement (Moneyval, OECD, etc.)

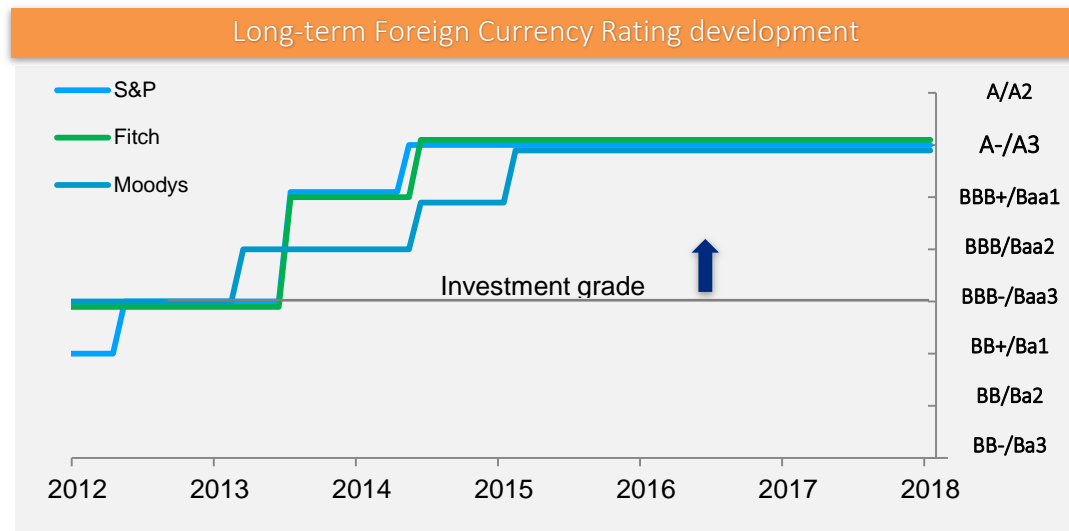




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LATVIA'S CREDIT RATING HAS STABLE POSITION

RATING AGENCIES ACKNOWLEDGED LATVIA'S LOW GENERAL GOVERNMENT DEBT, FISCAL DEFICIT AND INSTITUTIONAL STRENGTH



Source: S&P, Fitch, Moody's Note: Data on March 31, 2018

Key strengths of the Latvian sovereign credit rating

- **Latvia's economic growth** unexpectedly outperformed our base case and continued at a faster pace than currently anticipated, without raising worries about overheating.
- **Eurozone membership enhances Latvia's creditworthiness** by underpinning economic policy coherence and credibility, improving fiscal and external financing flexibility, reducing foreign-currency risks on balance sheets and giving Latvian banks access to European Central Bank liquidity facilities.
- Being **member of the OECD**
- Ratings on Latvia remain primarily supported by the sovereign's **strong fiscal position**

Source: S&P Global (22 September 2017), (23 March, 2018), Fitch (27 October 2017). Note: (1) Selected quotes. Full report can be obtained from respective rating agency

Sovereign	Moody's	S&P	Fitch
Belgium	Aa3	AA	AA-
Czech Republic	A1	AA-	A+
Estonia	A1	AA-	A+
Slovakia	A2	A+	A+
Poland	A2	BBB+	A-
Latvia	A3 (stable)	A- (positive)	A- (stable)
Lithuania	A3	A	A-
Ireland	A2	A+	A+
Italy	Baa2	BBB	BBB
Slovenia	Baa1	A+	A-
Spain	Baa1	A-	A-

Source: S&P, Fitch, Moody's, as of 8 May 2018

Credit rating challenges

- **Social expenditures and defence spending could be higher** than anticipated
- **External financing risks and geo-political tensions with Russia** continue to constrain the ratings
- Latvia is a small and highly open economy, making it **vulnerable to external shocks**
- Despite the positive short-term economic dynamics, **Latvia still faces longer-term challenges**



SPENDING REVIEW 2017 AND PRIORITIES FOR 2018

REVISING BUDGETARY PROCEDURES AND POLICY

- Requesting and deciding on additional funding to line ministries
- Methodology for estimating no-policy change (baseline) expenditure
- Streamlining and cutting back procedures for public financial management

SUGGESTING POLICY CHANGE FOR MINISTERIAL SPENDING

- Reevaluate policy change suggestions developed (yet not implemented) in 2016
- Reducing number of long-term vacancies in public service
- Piloting zero-based budgeting: reimbursed medicines and libraries
- Identifying functionally-alike institutional arrangements
- Revising additionally financed policy measures since 2014
- Other methods

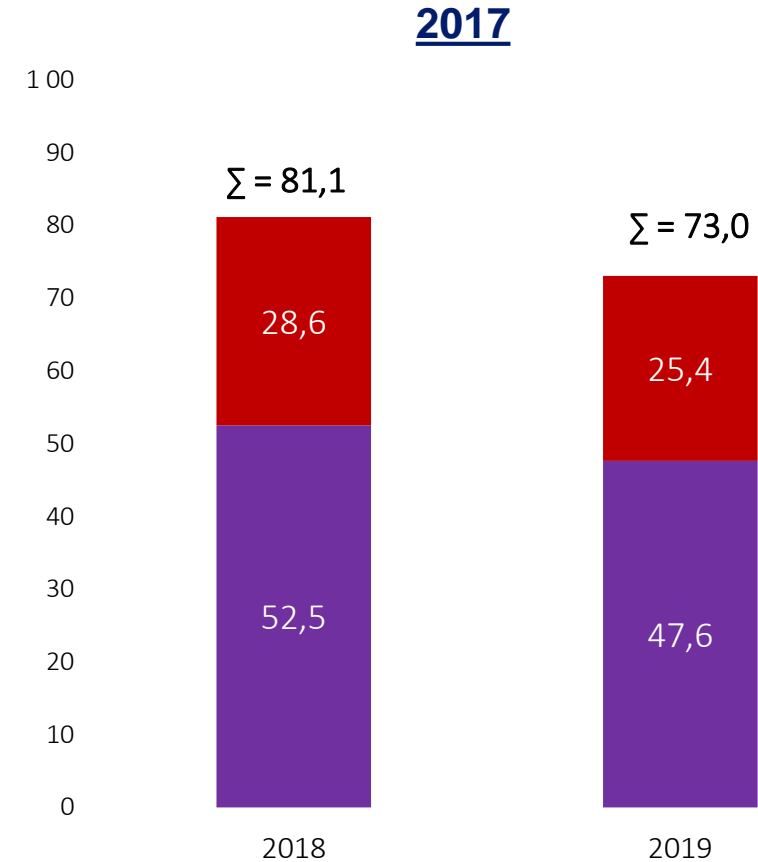
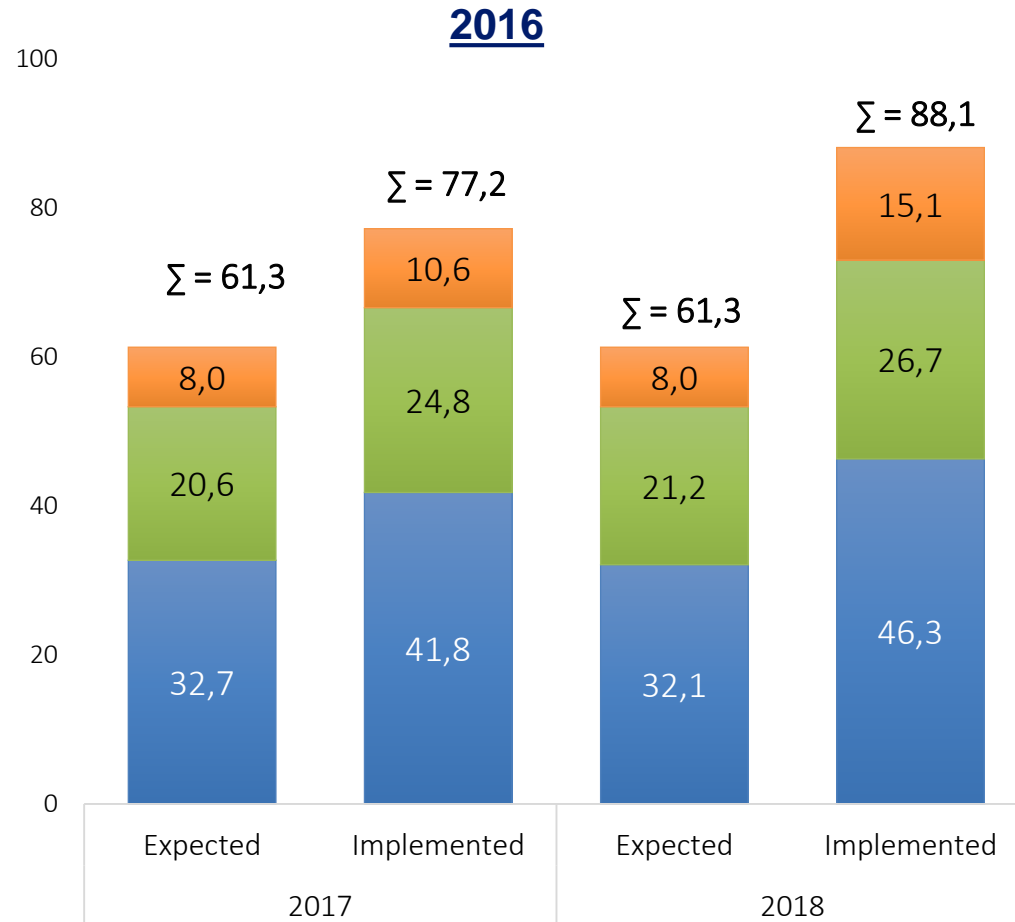
COMPREHENSIVE REVIEW OF ICT: THE MAIN PRIORITY FOR 2018

- Initiated at least 2-year long reviewing area
- Needs thorough analysis and data examination
- One of the largest spending areas
- Most of ICT projects result in higher costs for budget
- Investment portfolio requires centralised management



EXPENDITURE REVIEW RESULTS

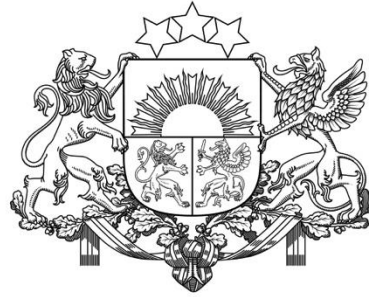
mln. euro



■ General budgetary priorities
■ Earmarked revenue collection

■ Individual sectorial priorities

■ Reallocating resources to common government priorities
■ Internal resources for own sectorial priorities



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CREATION OF KNOWLEDGE BASE INVESTMENT IN HUMAN CAPITAL

Līga Lejiņa
State Secretary



Ministry of
Education and Science
Republic of Latvia

SMART SPECIALIZATION OF LATVIA (RIS3)

RIS3 CONCEPT ECONOMIC TRANSFORMATION



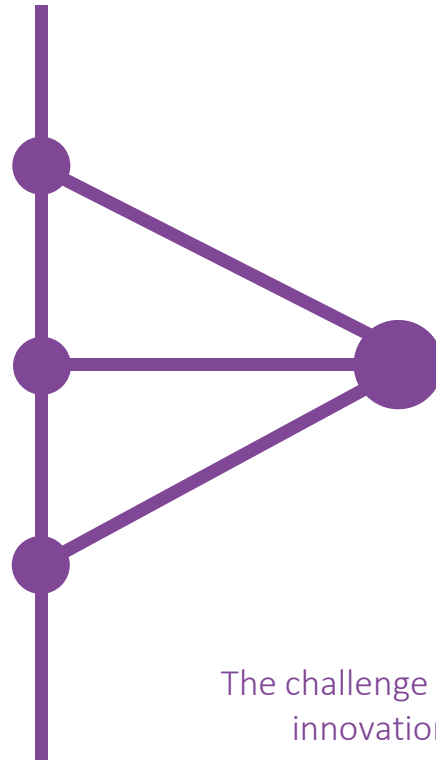
Knowledge
and technology



Education



Business
models



Innovation

Increased product
and process technology
capacity in businesses



Economic growth

The challenge is the creation of new competitive advantages: investing in cutting edge technologies, innovation, research, human capital, i.e. efficient allocation and redistribution of resources

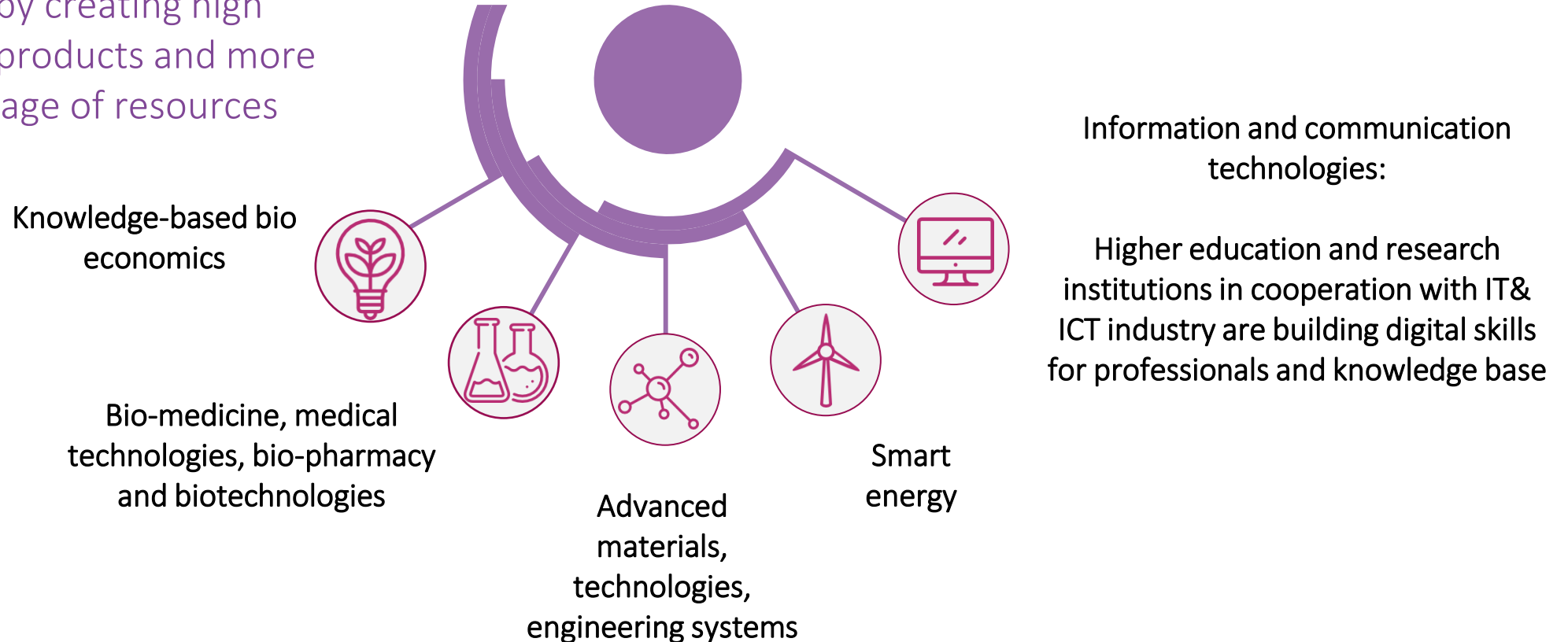


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SMART SPECIALIZATION STRATEGY: BUILDING EFFECTIVE ECOSYSTEMS

Objective:

Transformation of the economy by creating high value-added products and more efficient usage of resources





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HIGHER EDUCATION INSTITUTIONS AS «KNOWLEDGE HUBS» IN DIGITAL AGE



Knowledge base

To create a diversified knowledge base in all science areas by focusing R & D in areas that have the largest potential of growth



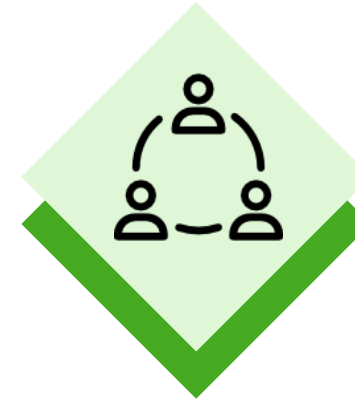
Innovation

To increase the innovation capacity of enterprises



Human capital

To create human resources in R & D that are both locally embedded and globally connected



Collaboration

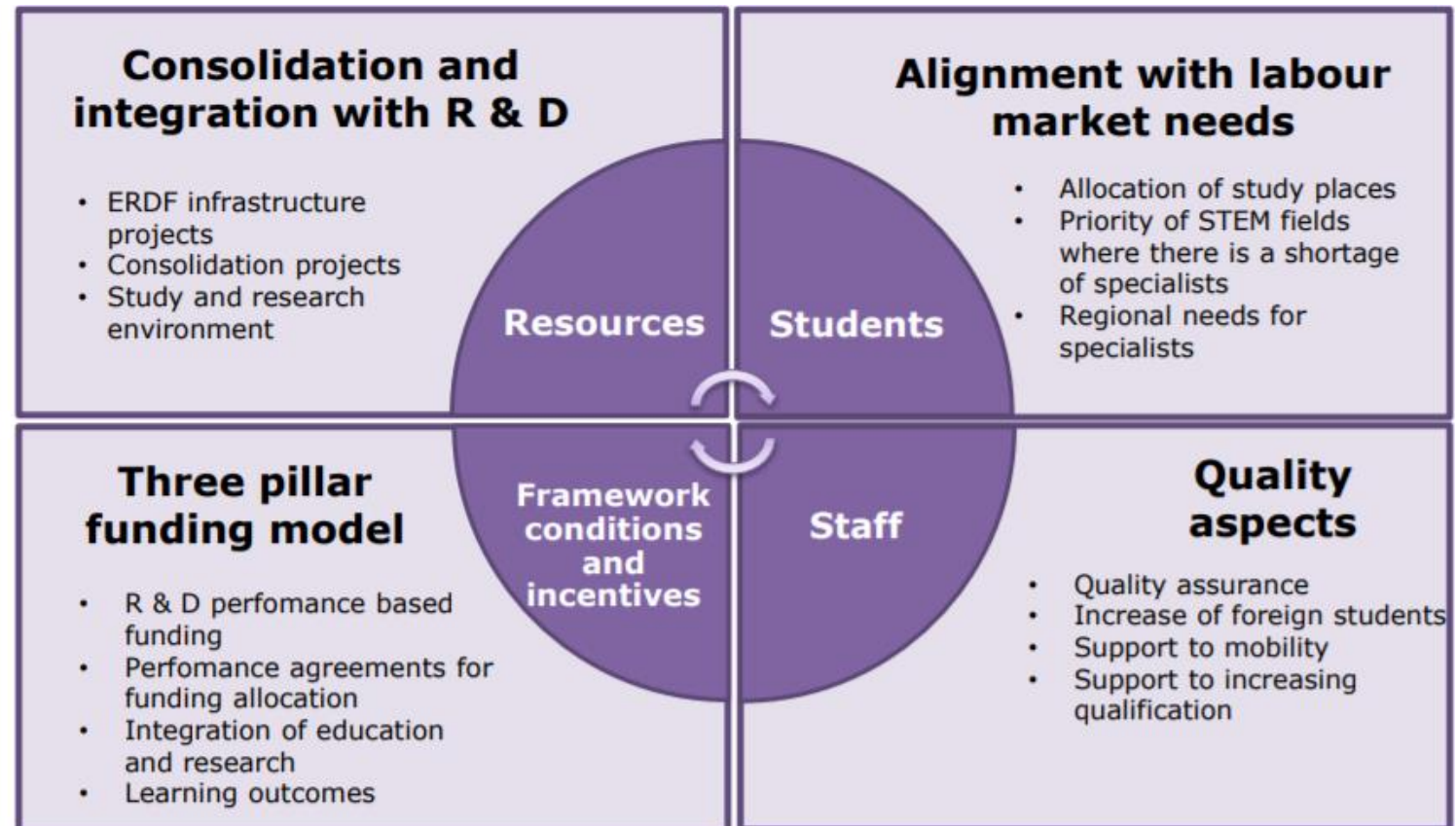
To merge resources from different sources and to collaborate with different universities in the region



QUALITY AND RELEVANCE OF HE IN LATVIA

OECD Recommendations

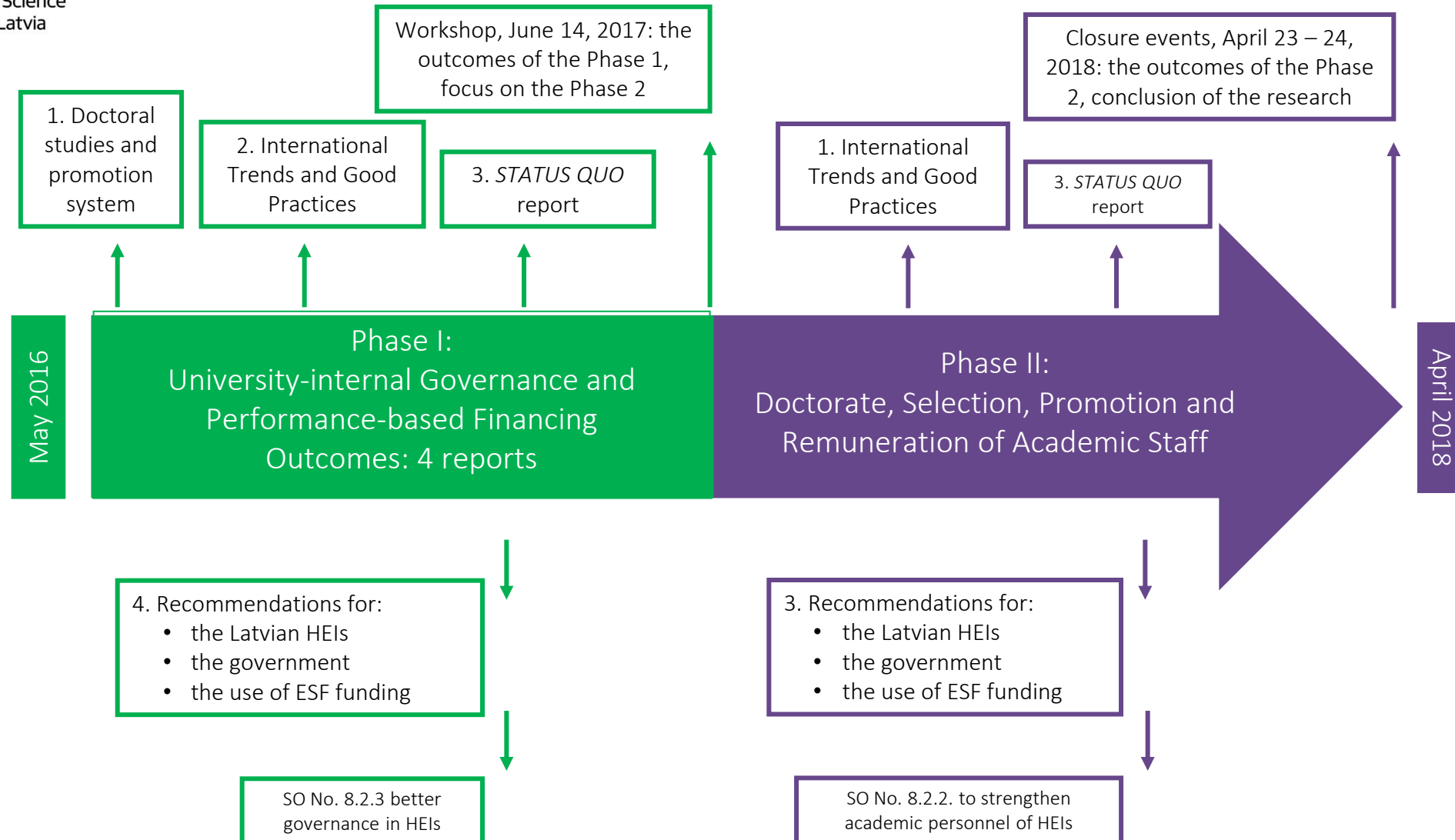
- Move forward with the implementation of the three-pillar financing model
- Continue improving the quality of tertiary education and science
- Continue efforts to realign system capacity with demographic decline, fiscal reality and labour market needs
- Strengthen the capacity for strategic leadership and management





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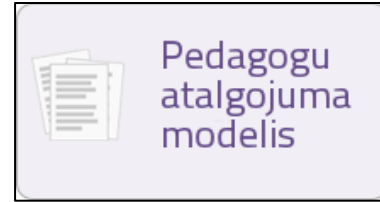
INTERNAL FUNDING AND GOVERNANCE IN LATVIAN HEIS – INPUT FROM THE WORLD BANK



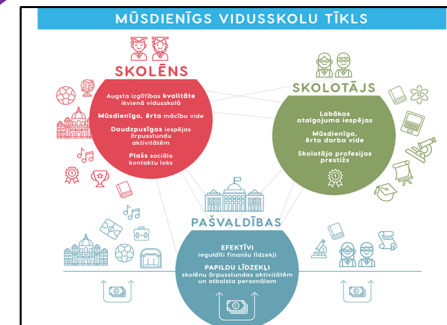


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EDUCATION DEVELOPMENT GUIDELINES



Educational environment
Individual skills
Effective governance





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VOCATIONAL EDUCATION

- Transition from low to higher skills
- Companies as learning organisations
- Skills forecasts
- Skills contests
- Quality internships and work based learning
- Revised occupational standards/Modular programs
- VET Competence centres - attractive, accessible and modern VET environment

DARBA MĒRĒŠANAS ATBALSTA PASĀRUMI

KARJERA MĒRĒŠANAS PASĀRUMI

**DARI UN MĀCIES –
VISS TIKAI SĀCIES!**

SPECIĀLOJU PĒGĀJE

KURSI

IZGLĪTĪBA

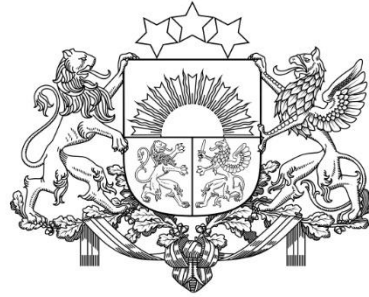
KOPĀRĪPĒRĒJAS
PAAUGŠTĪMŠANAS PASĀRUMI

Latvian Ministry of Education and Science logo

European Union logo

Līdzfinansē
Eiropas Savienības
Erasmus+ programma

**MĒS SAKĀM –
VISS TIKAI
SĀKAS!**



Ministry of Environmental
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Development
Republic of Latvia

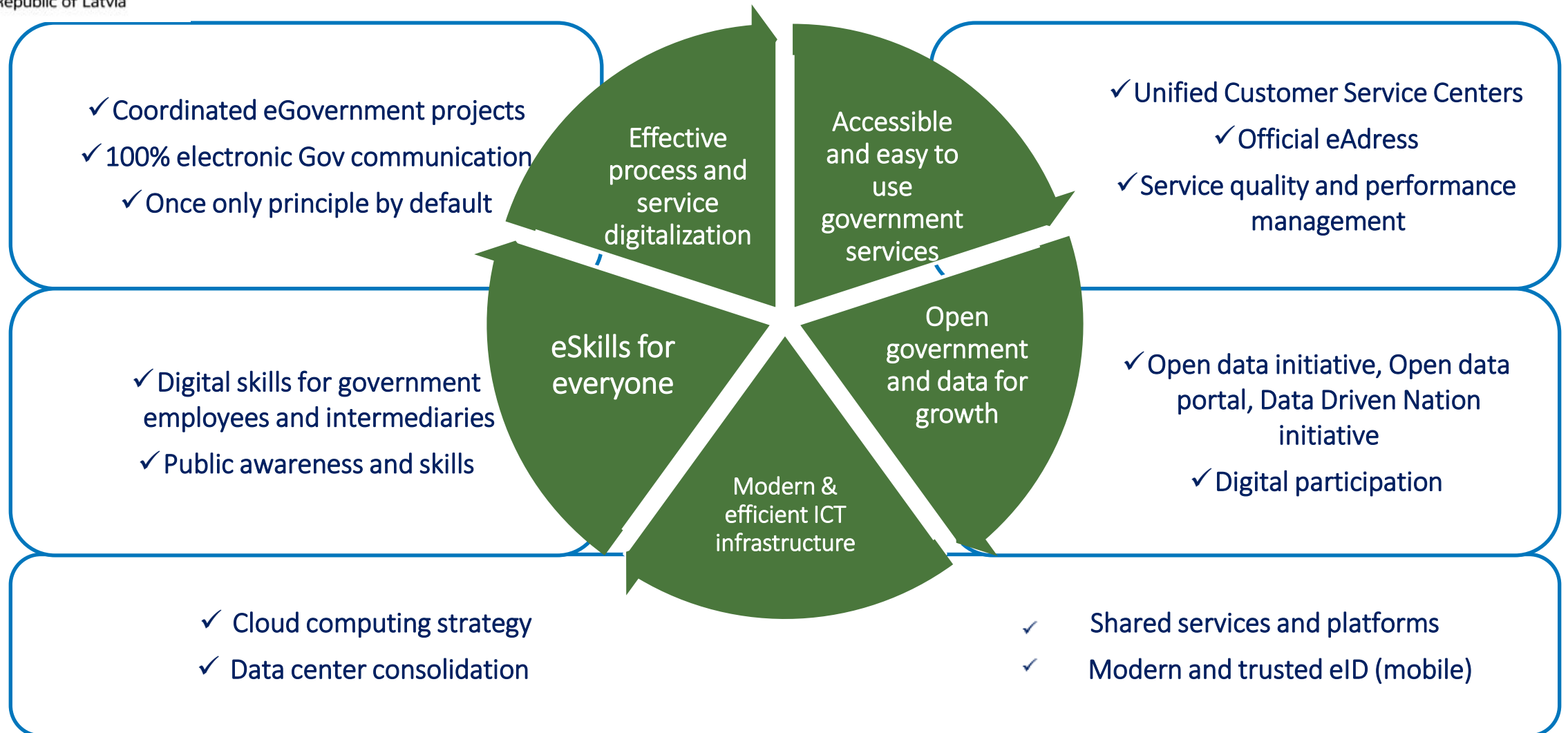
DIGITAL TRANSFORMATION

WASTE MANAGEMENT

Rinalds Muciņš
State secretary



COORDINATED GOVERNMENT DIGITAL TRANSFORMATION EGOVERNMENT POLICY MAIN ACTION LINES

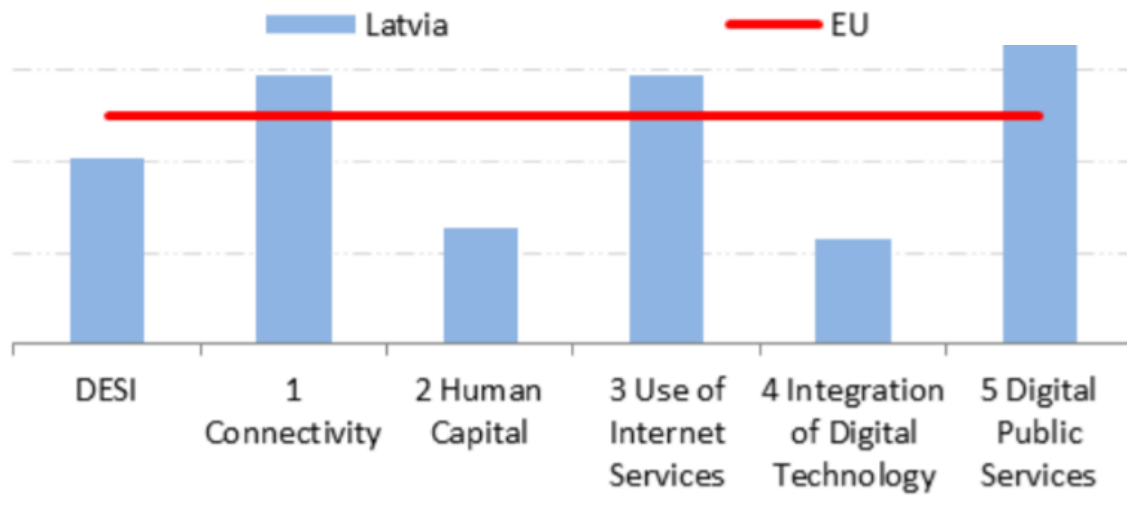




Ministry of Environmental
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Republic of Latvia

EXAMPLE RESULTS OF EGOVERNMENT POLICY (AND FOCUS AREAS FOR NEXT PERIOD)

Digital Economy and Society Index (DESI) 2018



	1 Connectivity	2 Human Capital	3 Use of Internet Services	4 Integration of Digital Technology	5 Digital Public Services
2018	10	22	10	23	9
2017	12	23	10	25	14

	LV	EU28	#
Citizens Interacting online with government	83,2%	57,4%	7
eGovernment services for business	93,1%	82,7%	6

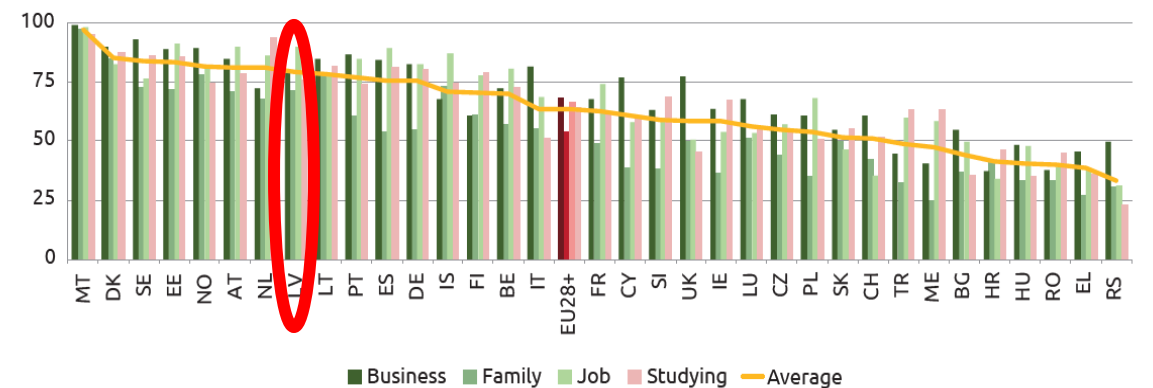
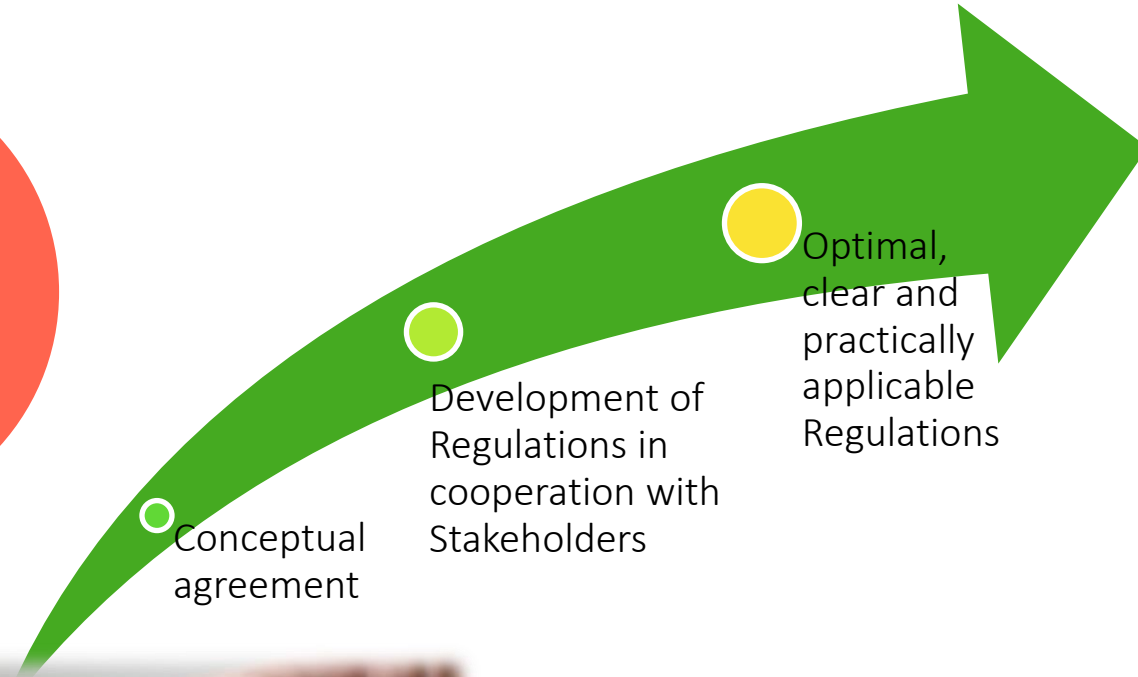
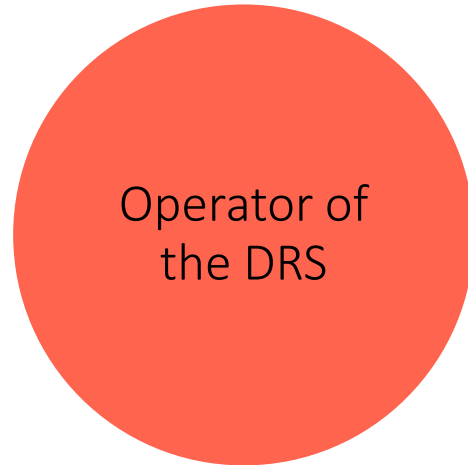
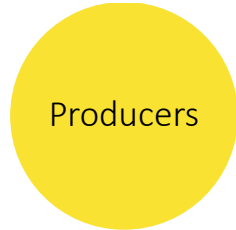


Figure 6: Country ranking⁸ – average results for top-level benchmarks per 2016 life event (EU28+, %)

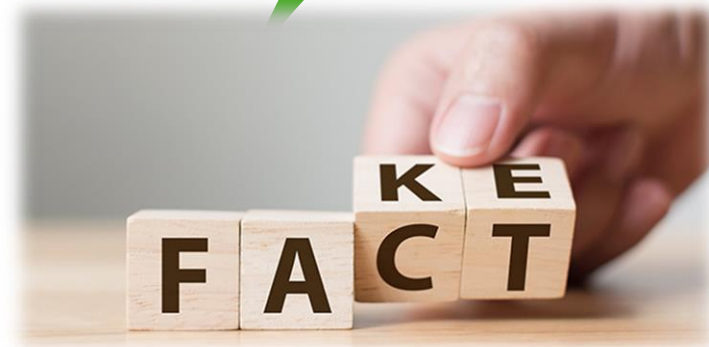


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DEPOSIT REFUND SYSTEM (DRS)



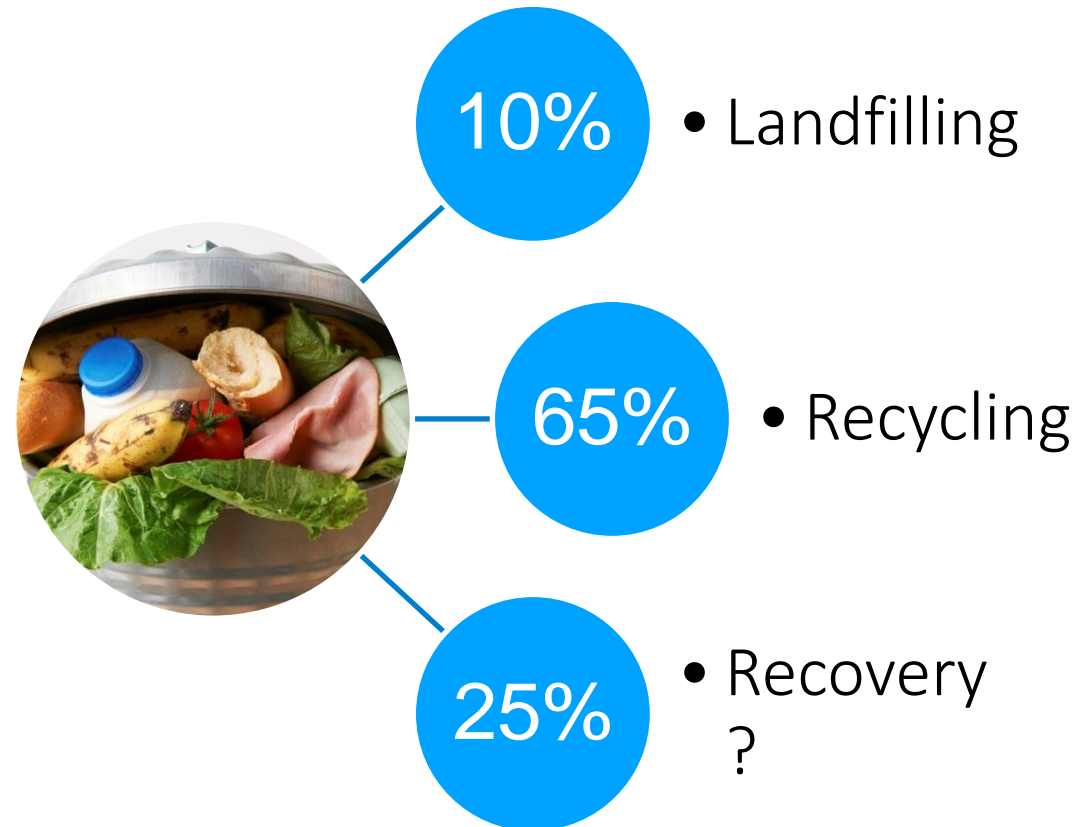
Lack of trustworthy, unbiased
information among Stakeholders

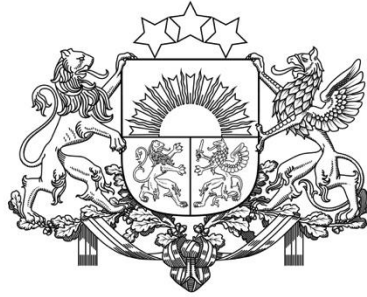




TRANSITION FROM WASTE TO RESOURCES

Undoubtedly, there are materials that can not be recycled or their recycling is economically inefficient, but the basic principle of the circular economy is to keep the materials in the economic cycle for as long as possible.





Ministry of Justice
Republic of Latvia

REFORMS IN THE FIELD OF JUSTICE

Laila Medin

Deputy State secretary on sectoral policy



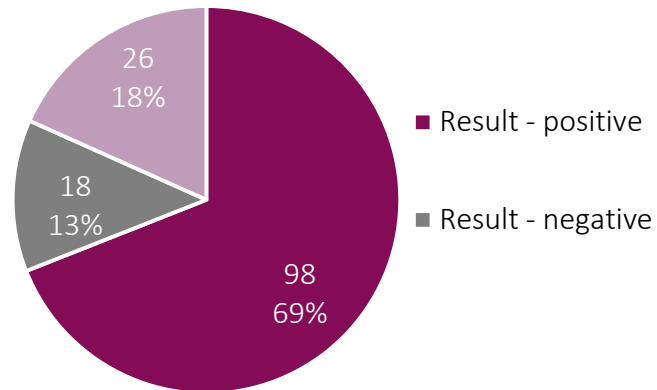
INSOLVENCY POLICY REFORM

Insolvency policy reform

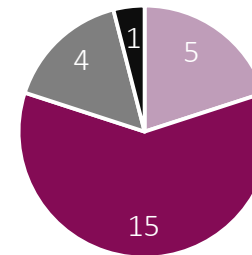
- In 2016 **Insolvency Policy Development Guidelines 2016–2020** and their implementation plan were adopted. Part of tasks and measures have already been completed and further implementation will continue.
- Since January 1, 2018, when the amendments to the **Criminal Law** entered into force, the application of criminal liability for delaying insolvency proceedings and violating provisions of the legal protection proceedings is more clearly separated from administrative liability.
- **The Insolvency Administration** (from July 1, 2018 – the Insolvency Control Service) will continue to inform and educate the society on matters relating to the field of insolvency and will also continue to intensify its monitoring of the cost of insolvency proceedings.

Results

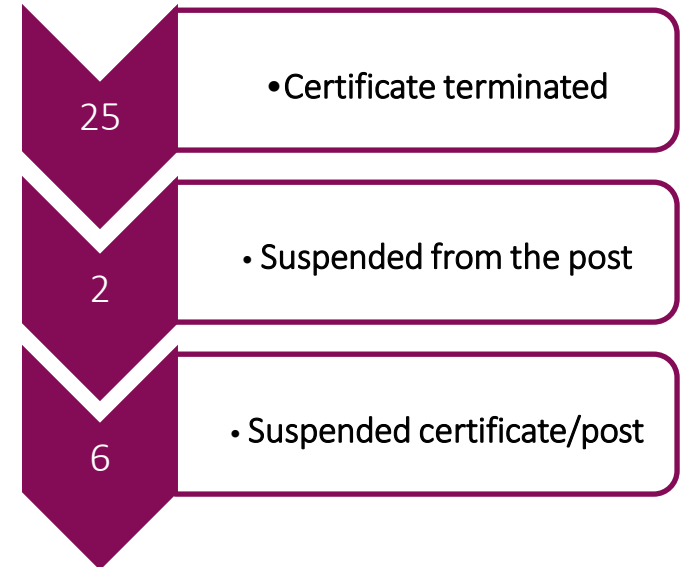
142 processes examined preventively:



Performance indicators of administrators



- submitted an application for suspension of the post
- not applied for qualification exam
- received a negative rating in the qualification exam
- convicted of committing a deliberate criminal offence



244 administrators
in Insolvency register



ENHANCING THE BUSINESS ENVIRONMENT

Actual situation

- In 2015 **Intellectual Property Rights Protection and Enforcement Guidelines for 2015-2020** were adopted and since then the Ministry of Justice is working towards their implementation.
- In 2018 new **Law on Trade secrets** has been drafted which will significantly improve the protection of confidential information and know-how in Latvia.
- A number of **amendments to the Commercial Law (2017)**:
 - facilitated procedure for increasing the equity capital of joint stock companies
 - strengthened rights of creditors and employees of joint stock companies
 - strengthened rights of minority shareholders
 - strengthened rights of existing shareholders and the acquirer of the shares of limited liability company in the expropriation process
 - simplified procedures for companies

Development directions

Modern business environment regulation

Services provided by public authorities

Corporate governance and investor protection

Liability for unlawful conduct



Ministry of Justice
Republic of Latvia

ACHIEVEMENTS IN JUDICIAL SYSTEM

EFFICIENCY

- **Court House reform** to ensure judicial specialization, random distribution of cases, prevent uneven judicial capacity, reduce length of proceedings
The impact of the reform has received a positive assessment from CEPEJ experts, as the reform makes the system more easily understandable for its users. During the presentation of the CEPEJ report, the experts have noted that there were no particular problems with regard to case loading and processing times.
- **Specialization** (Jurisdiction over a matter to one specific court) ensured in industrial property rights, illegal transfer of child across the border, recognizing the decisions of company member meetings void (Jelgava court).
- **Promoting ADR, mediation**
 - Improved state control mechanism over Arbitration courts ensure higher quality.
 - Law on Mediation adopted in 2014 and court annexed mediation in civil cases introduced.
 - Promotion of mediation services, two pilot projects
 - Further steps - evaluation of Court integrated mediation options. OECD, CEPEJ emphasizes importance of mediation as well.
- **Electronic services**
 - ICT tool development, use of videoconferencing, electronic (audio) minutes, electronic communication promoted.

QUALITY

- ESF Project **“Justice for Growth”** to increase competence of courts and law enforcement authorities in order to facilitate improvement of the business environment.
Project activities include: assessment of the Latvian judicial system, extensive training programs, conferences, development of handbooks, guidelines, and summaries of case-law.
- **Review of the procedures for selection of a candidate to the office of a judge**
- **Amendments to the Judicial Disciplinary Law** - allows the Judicial Disciplinary Board to direct a judge to take an extraordinary evaluation of his/her professional work, in case there are doubts arising regarding the professional competence of a judge.

STRENGTHENING THE JUDICIAL INDEPENDENCE

- Amendments to the Law on Judicial power entered into force in 2018 with a view **to strengthen role of the Judicial Council**. Passes several competences to the Judicial Council. Amongst other, procedures for the selection, apprenticeship and passing of qualification examination of candidates to the office of a judge.



Ministry of Justice
Republic of Latvia

THE IMPACT OF THE REFORMS OF THE JUDICIAL SYSTEM

Positive evaluation and ratings

- EC “Justice Scoreboard 2018” – Positive emphasis on availability of ICT, electronic communication. Ability to submit a case, to monitor the stages of a proceeding, to transmit summons.
- “Doing Business” - ease of doing business ranking: Latvia in 19th position amongst 190 countries in 2018.
 - enforcing contracts indicator which measures the time and cost for resolving a commercial dispute through a local first-instance court is lower than average in the EU member states.
- A positive evaluation and support from CEPEJ experts towards the already implemented and planned reforms.
- OECD experts emphasize during the presentation of the assessment within the project «Justice for Growth»: Latvia is the fastest growing economy in Europe, allowing for an attractive business environment.





Ministry of Justice
Republic of Latvia

THE FURTHER ENHANCING OF THE JUDICIAL SYSTEM MID TERM GOALS

- Further strengthening independence of the judiciary
- Further reducing workload, and making court processes faster
- Broadening usage of e-services and modernization of courts
- Strengthening human resources capacity
- Further ensuring quality of free legal professions
- Ensuring effective court expertise system
- Strengthening provision of effective legal cooperation processes



Ongoing projects and future plans in combating economic crime

*Combating economic crime is a priority of the
State Police*

Rihards Kozlovskis
7 June 2018
Riga, Latvia



SIGNIFICANT STRATEGIC DEVELOPMENTS

1. New salary system introduced between 2016 and 2017

Aiming to set salary according to functions and responsibilities. Allocated financial resources – 52 000 000 €

2. Improvement of the education system for law enforcement agencies

3. Legislative initiatives

Confiscation of a criminally acquired property, if the value is not proportionate to the legitimate income of the person and the person cannot prove legitimacy

4. Organised Crime Combating Plan 2018 - 2020

An umbrella policy document addressing organised crime, including economic crime and cybercrime.

5. National investments in combating cybercrime

- Strengthening capacity of the State Police in 2018 – 2020. Allocated financial resources - 1 671 400 €
- Return of investments – capacity strengthening to fight intellectual property crime started in 2017. Arrested equipment worth of 825 000 €

6. Internal Security Bureau founded in 2015

Crimes committed by the state and municipality officials.

SIGNIFICANT INSTITUTIONAL DEVELOPMENTS

1. Strengthened institutional capacity of the Economic Crime Enforcement Department (ECED) at the State Police

Changes in human resources policy of the Department with an objective to attract skilled professionals and centralised approach to threat analysis

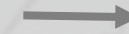
2. Asset Recovery Office established at the end of 2016

Under the State Police. Actions – identification, arrests and confiscations. Supports national investigations and contributes to international cases

3. Significant investigative results in fields of raiderism, insolvency and corruption

Assets arrested: 18 600 000 € in 2015

74 500 000 € in 2017



Related projects and future plans



1. SIMPLIFYING CRIMINAL PROCEDURES

Effective use of investigative resources with a focus on serious crime



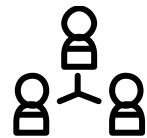
3. GUIDELINES

Joint guidelines on investigating economic crime



5. INTERNATIONAL PROJECTS

- Improved efficiency;
- SRAP (functional audit)
- up to date infrastructure and equipment (economic crime, cybercrime; forensics)



2. NCIM

Enhancing the National Crime Intelligence Model



4. EDUCATION / TRAININGS

Large scale training programme in the field of corruption and reduction of shadow economy



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GAME CHANGERS



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HUMAN CAPITAL



MIGRATION SALDO

LOWEST SINCE 2007
IMPROVED BY 5234



ALLOCATED FUNDS FOR LIFE-
LONG LEARNING

150 M € FOR
150 000 PEOPLE



SMART
IMMIGRATION

700 PEOPLE
237 PROFESSIONS



REGIONAL MOBILITY SUPPORT

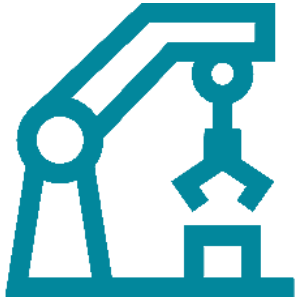
(SKAITS) NEW FAMILIES AND
HIGHLY SKILLED SPECIALISTS

DEVELOPING RENT HOUSES IN
CITIES (+800 APARTMENTS)



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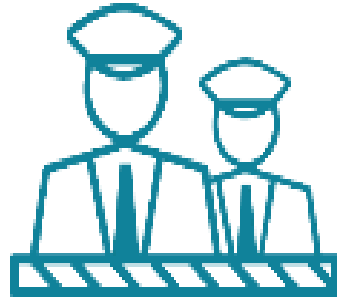
PRODUCTIVITY



0% TAX FOR REINVESTED PROFIT

406 M € STRUCTURAL FUNDS FOR
NEW PRODUCT DEVELOPMENT

63 M € FOR EXPORT PROMOTION
AND EXPORT GUARANTEES



CLIENT ORIENTED PUBLIC SERVICES

«CONSULT FIRST»

DIGITALIZATION OF GOVERNMENT
SERVICES



REDUCING ENERGY COSTS

REVIEW OF MANDATORY
PROCUREMENT COMPONENT



MEMORANDUMS OF
COOPERATION:

- CONSTRUCTION & SHADOW ECONOMY
 - GBS & REAL ESTATE
 - MANUFACTURING DEVELOPMENT



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INTEGRATION IN GLOBAL VALUE CHAINS



LATVIA GOES GLOBAL

VALMIERA GLASS

PRINTFUL, PRINTIFY, SAF ETC.

2'500 JOBS IN USA

LATVIJAS FINIERIS

UPB



GLOBALLY WELL INTEGRATED
START-UP ECOSYSTEM

DIGITAL FREEDOM FESTIVAL,
TECHCHILL

STARTUP WISE GUYS

BIG CORPORATE ACCELERATORS

PRESENCE IN SILICON VALLEY



GLOBAL JOINT R&D PROJECTS

PRECISION MEDICINE (ROCHE, BGI,
MICROSOFT)

AUTONOMOUS CARS
(NOKIA, MITSUBISHI, LMT)

5G DEVELOPMENT



MULTINATIONALS CHOOSING
LATVIA

COGNIZANT

IKEA

BGI

GENPACT

DINAIR

NCC

WEBHELP



Ministry of Economics
Republic of Latvia

VISION



Cross-sector partnerships

Data democracy

Citizen engagement

Data Driven Innovation



Vision

Data Driven Nation through smart specialisation

Sectors

Bio-Economy

Biomedicine

Smart Materials

Smart Energy

ICT

Bio-Economy

Precision Medicine

Smart & Secure City

Robotics



Innovation Platform

- Joint research platforms
- Innovation hubs
- Business incubators



- Outsourced R&D
- Acquisitions
- FDI inflow

- Cross-sectoral collaboration
- Government support by agile policy regulations
- Key players
- Unintended effect of the cross-sectoral collaboration



- Local talent development
- In-house education programs



- Additional services
- High-Tech export focused products



Industry

Focus Areas

Industry Players

Bio-Economy

Geospatial systems	Genetics
Functional Food	Wood Chemicals

Smart & Secure City

ITS & Test track	Climate Technologies
CPS solutions	Energy Efficiency & Recovery

Precision Medicine

Physical infrastructure	Digital Infrastructure
3D printing in medicine	Genomics

Robotics

Emotional computing	
Multi-robot systems	Educational robots

LV WELL INTEGRATED IN NB8 –
MOST INNOVATIVE REGION OF EU

100 direct flight destinations

Global leaders in internet speed and
consumption

IT sector - strategic priority

State-funded IT education

5G ready internet

Highest green-tech startup density in
the EU

Startup Ecosystem

83,2% of population interacts with
public authorities online

Top 3 world leaders in the mobile data
consumption



Baltic Region Innovation Platform

LV, LT, EST Euro GDP (2016) - 85 bn

Population: 6 m



Baltic Sea Region

GDP (2016) - 1 805 bn

Population: 71 m





Thank you!