



28th High Council Meeting Between the Government of Latvia and the Foreign Investors' Council in Latvia

September 27, 2024

The Cabinet of Ministers of the Republic of Latvia (hereinafter – the Government) and the Foreign Investors' Council in Latvia (hereinafter – FICIL), with regard to their common objective to boost Latvia's competitiveness, to facilitate the attraction of foreign investment and to foster the improvement of the business environment, agree that the key priorities for 2025 are human capital, increasing productivity and augmenting the amount of investments. The growth of the national economy is the foundation of the welfare of society, which is achieved through investment, exports and innovation.

The Government and FICIL commit to work together on the implementation of the following tasks until the next High Council meeting in 2025:

- Ensure a smart, efficient and open public administration that fosters the resolution of horizontal issues and strengthens day-to-day inter-agency cooperation, including the implementation of a whole-of-government approach, both within the public administration as a whole and in cooperation with the private sector;
- Continue to reduce administrative burden in the area of real estate development, as well as, agree on new areas where administrative burden can be reduced;
- Continue the implementation of the de-risking strategy, whereby credit institutions and financial institutions ensure that they start cooperating with customers on the basis of a risk assessment approach;
- Create changes to make refinancing economically advantageous not only for individuals but also for businesses;
- Strengthen the implementation of good corporate governance principles in both state-owned enterprises and private equity companies. Including by clarifying the legal framework for state participation in companies with the goal of sustainable, efficient and responsible use of public resources, while at the same time respecting the basic principles of competitive neutrality;
- Further work is required regarding the governance of state-owned enterprises and access to finance, thus ensuring that the State as a shareholder plays an active and responsible role in involving the state-owned enterprises in promoting economic growth;
- Developing human capital is essential to ensure long-term economic growth. A clear division of tasks and governance in the area of adult education and re-training policies should be promoted;
- There is a need for more timely and coordinated cooperation between public institutions and non-governmental organisations in anticipating changes in the labour market and in implementing the necessary adjustments, including: to expand the use of medium-term and long-term labour market forecasts in policy-making;
- Further work is required when it comes to the implementation of the National Energy and Climate Plan (NECP), including clear messaging. Clear signals to investors are needed in order to attract new sources of financing, as well as, to ensure that the



available financing is raised as quickly and efficiently as possible, thus contributing to Latvia's sustainable growth and compliance with international climate goals;

- Promote an energy policy which is in line with the objectives of the European Union and contribute to energy security, including by providing a clear regulatory framework for the development of wind parks in Latvia;
- Continue work in order to create the pre-conditions for Latvia to compete in the field of the development of artificial intelligence technologies;
- Latvia's long-term development goals must be clearly defined and it is crucial to increase investor confidence by ensuring a predictable business environment and strengthening the rule of law, the quality of legislative acts and the efficiency of courts;
- It is very important to effectively combat the shadow economy, which affects fair competition, by continuing the timely and full implementation of the planned activities and by reducing impunity in society.

For further consideration by the Cabinet of Ministers, FICIL submits six position papers with proposals and recommendations in the following areas:

- Economic development of Latvia for all;
- Human capital;
- Investment protection;
- Sustainable for the future;
- Future public administration;
- Combatting shadow economy.

The next High Council meeting between the government of Latvia and FICIL is going to take place in the autumn of 2025.

Prime Minister of the Republic of Latvia
Evika Siliņa

Chairperson of the FICIL Board
Zlata Elksniņa-Zaščirinska

/E. Siliņa/

/Z. Elksniņa-Zaščirinska/