



This information was prepared by Press Secretary of the Prime Minister.

THE PRIME MINISTER WILL PROGRESS THE MICRO – ENTERPRISES SUPPORT PROGRAMME

In the evening of 3 June 2009, upon an initiative by Valdis Dombrovskis, Prime Minister of the Republic of Latvia, the representatives of the Advisory Council (AC) attended the second working meeting. The Council considered several topical issues related to overcoming the economic crisis, paying particular attention to a discussion about short- and long-term objectives and challenges. On the top of the meeting's agenda was consideration of the framework for the micro-enterprises support programme, in order to present ideas and suggestions for the development of a legal framework. The micro-enterprises initiative has been developed by Jānis Endziņš, representative of the Latvian Chamber of Commerce and Industry, who presented it also to the AC.

Since the economic recession and unemployment may cause social unrest, thus exerting pressure on the social budget, but the country has to launch short-term measures to improve the economic situation, the micro-enterprises support programme may become one of the most efficient measures for boosting economic activity in Latvia. Such opportunity was also highly welcomed by the last week's High Level Foreign Advisory Group which met V.Dombrovskis.

"I have already made a public commitment to progress this idea and lead it to an actual result. This meeting should be considered as one step further as the opinions of the experts participating in the Advisory Council are very important for further progress of the idea. The next stage is definition of concrete assignments in order to commence development of the legal framework," after the meeting said V.Dombrovskis.

The nature of solutions of the micro-enterprises support programme is aimed towards creating maximally broader spectrum of necessary preconditions, allowing the unemployed to take care of themselves by establishing their own enterprises.

The Prime Minister believes that the above-mentioned solution may have several positive effects: it will reduce the social unrest and the pressure on social budget; create preconditions for successful businesses; as well as will facilitate implementation of the EU recommendations for micro-enterprises support in respect of which Latvia and other Baltic States are currently face the most critical situation.

A proposal was voiced at the AC meeting to reach political agreement in the Government whether to use the EU criteria (the maximal number of employed – 9, the annual turnover and/or the annual book value does not exceed 2 million euros), or define own reduced criteria for implementing the support measures. The other key assignment would be decision on reduction of establishment costs, as well as on the minimum amount of fixed capital. Simplified accountancy and introduction of tax relief for micro-enterprises (at least in the initial phase of their operation) would be needed.

The participants of the AC meeting were Uldis Pīlēns, Ojārs Kehris, Ingrīda Blūma, Jānis Bergs, Žanete Lūse, Kristīne Bērziņa, Andris Vilks.

The next sitting of the Council will be devoted to unemployment issues in order to discuss short- and long-term solutions by making analysis of economic development opportunities in the Baltic States and the Baltic Sea region.

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THE LATVIAN INSTITUTE

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