

The government and FICIL agree on goals and priorities for improving the investment environment in Latvia

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[Cabinet of ministers](#)

[Prime Minister](#)



On Friday, September 17, during a high-level meeting of the Cabinet of Ministers of Latvia and the Foreign Investors' Council in Latvia (FICIL), investors and government representatives agreed on priority areas in the country that need to be addressed to improve the investment environment in Latvia. Investors emphasized that they were particularly looking forward to a clear action plan for managing human capital, prioritizing the green course, promoting digitization, and strengthening the rule of law.

☞ "I wish to thank the Foreign Investors' Council for cooperation, dialogue, and active involvement in improving the business environment in Latvia! The government has decided to implement a smart reindustrialization policy to promote faster development of the production sector and growth of exports. This can be achieved through greater investment in the economy, meaning more and better-paid jobs, higher incomes in the state budget, better health care, education, and internal security. We will work together to find successful solutions in the questions regarding the shadow economy, green course, human resources, and digitalization. These areas have been determined as the most important in the investment environment improvement process," emphasizes Prime Minister Krišjānis Kariņš.

"We would like to emphasize that right now - moments before Latvia receives funding from the European Union Recovery and Sustainability Mechanism, as well as the country's economy keeps recovering from the consequences of the pandemic - the strategic decisions taken by the government will affect the country's development in the next decade. If we want to strengthen Latvia's position on a regional scale, we have to focus on well-thought-out retraining of the workforce and a clear plan of action on the part of the state on how the EU's climate neutrality goals will be achieved. To improve the work of public administration, we recommend improving the quality and analysis of the data obtained in the country, which would also lead to making more strategically correct decisions," says Māris Gruzniņš, Chairman of the Board of FICIL / Member of the Board of Schwenk Latvija.

During the meeting, the government and FICIL agreed that Latvia's future economic growth will be determined by the quality of the workforce, making well-thought-out retraining of employees and acquisition of skills needed in the future labor market crucial. Strengthening the management of human capital by centralizing it in the hands of a single institution responsible for planning and implementing workforce development is necessary to achieve that. There was an agreement on the necessity of motivating employers to invest in employee education by improving the current labor market regulation.

The priorities of the national green course were also discussed, agreeing on the need for a clear and detailed work plan on achieving the climate neutrality goals set by the European Union for Latvia. This would reduce the current uncertainty about Latvia's priorities in the field of the green exchange rate and is essential for investors to plan their future operations in Latvia.

FICIL and government representatives agreed that the country's digital transformation also remains one of the country's priority development goals. In this area, the main priority is strengthening the state's capacity in training IT specialists, which is still significantly lacking in all business sectors, as well as improving the general digital skills of the Latvian population. It is also crucial to find ways to support companies that strive to improve their performance through digitalization, but lack the necessary competencies to discover their digitalization opportunities independently.

The importance of the ongoing work on combating the shadow economy and strengthening the rule of law was emphasized to ensure a reliable, stable, and attractive investment environment for investors. Strengthening the professionalism and capacity of law enforcement agencies, promoting their specialization in complex economic cases, preparing charges, and prosecuting courts remain a priority in this area, as well as strengthening law enforcement cooperation. Investor confidence can be achieved through a predictable tax system, so tax reform must be planned, and cooperation with the social partners must continue in their administration.

FICIL has submitted 11 position documents with proposals in macroeconomics; green economy development; digitization; labor issues; higher education and retraining; investment in environmental protection and judicial efficiency; combating economic and financial crime; tax policy and administration; protection of intellectual property; in the food and drink sector; transport and infrastructure to the Cabinet of Ministers.

The 25th high-level meeting between the Latvian government and FICIL was chaired by Prime Minister Krišjānis Kariņš and FICIL Chairman of the Board Māris Gruzniņš.

High-level meetings between the Latvian government and FICIL have been taking place since 1999, intending to ensure a structured exchange of information and views between investors and local policymakers to improve the business environment and facilitate the inflow of foreign investment into Latvia. Ministers, high-level officials, and managers of FICIL member companies participate in the annual meetings of the Latvian government and FICIL. The next high-level meeting of the Cabinet of Ministers of the Republic of Latvia and FICIL will take place in autumn of 2022.

About the Foreign Investors' Council

FICIL is a non-governmental organization that unites the largest foreign companies from various industries, foreign chambers of commerce, French foreign trade consultants, and the Riga School of Economics (SSE Riga). FICIL's mission is to improve Latvia's business environment and competitiveness in attracting foreign investment, using the experience and knowledge of its members to provide recommendations to the government.

 [The 25th High Council meeting between the Government of Latvia and the Foreign Investors' Council in Latvia](#) 

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<https://www.mk.gov.lv/en/article/government-and-ficil-agree-goals-and-priorities-improving-investment-environment-latvia>