

President of Latvia and Governor of the central bank: by strategically investing recovery and resilience facility funding Latvian economy should make a leap in quality

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President of Latvia Egils Levits and Governor of Bank of Latvia Mārtiņš Kazāks discussed the strategic vision of Latvia's economic future during an online meeting today.

Conversation mostly focused on what strategies and efficiency criteria Latvia should apply to investments from European Union (EU) Recovery and Resilience Facility funding, which will become available to Latvia in the second half of 2021. Both officials agreed that national projects, which will be funded from EU facility, should not be selected based on all the various needs of each particular line ministry. Selection should be driven by supra-institutional vision for restructuring and growth of national economy instead. 'By strategically investing recovery and resilience facility funding Latvian economy should make a leap in quality, whereas focus on narrow interests of particular line ministries may deter us from this goal' underlined Egils Levits.

As for the opinion of the central bank on support to those hit by COVID-19 crisis, Governor Kazāks mentioned that data of the Bank of Latvia shows that although overall amount of support funding available to those suffering losses due to COVID-19 pandemic is increasing, rollout of direct support for damages resulting from restrictions is still slow, as more and more funds have been injected into the economy in recent weeks. As far as society is concerned, it is important to avoid increased risks of inequality due to COVID-19, Mārtiņš Kazāks pointed out. Governor of central bank also stressed that support policy need be reinforced with employment activation, offering those who have lost reskilling opportunities to relaunch their career in a new, more promising profession.

Both officials underlined that government should collect feedback about the efficiency of provided support through proactive polling of residents and companies that have received support funding.



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