

The President of Latvia: further development of Latvia will depend on its competitiveness

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“A continuous and fierce struggle for development, a higher level of welfare, financing, and investment is going on among the world's economies. Latvia requires strengthening its competitiveness so that our country would be equivalent to other regional and global economies,” noted President of Latvia Raimonds Vējonis during a meeting with the representatives of the Foreign Investors Council in Latvia on Tuesday. “National competitiveness as a precondition of economic development is an important aspect of national security,” stressed the President of Latvia.

When discussing the elements that should be reformed and improved in greater detail in order to improve the competitiveness of the country, the President of Latvia emphasized building capacity of public administration by introducing corporate governance principles. The President of Latvia underlined in particular that the resources invested in maintenance of state governance should be proportionate to the achieved performance.

With regard to improvement of business environment and legal environment, Raimonds Vējonis acknowledged that the problems, which had been discussed for years in administration of insolvency proceedings, were still not resolved. “State authorities must ensure efficient supervision of the insolvency proceedings, and activity of insolvency administrator must be transparent,” said the President of Latvia. He expressed his hope that the Saeima would make the necessary decisions to improve the regulation of the insolvency proceedings by the end of this year.

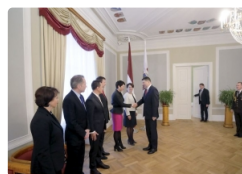
Representatives of the Foreign Investors Council in Latvia pointed to several areas where detailed recommendations were drafted after hearing the opinions of investors. The major topics included demography and labour availability, necessity for long-term vision of national development, trust in judiciary, and predictability of taxation system. “The most important thing is that investors should have confidence in the public administration that it intends to reach improvements. There is a need for political will and commitment to accomplish specific tasks so that structural reforms required for national development would be implemented,” said Manager of Foreign Investors Council in Latvia Zlata Elksniņa-Zaščirinska.

Raimonds Vējonis acknowledged that both actual decline in the amount of investment and the concern expressed by entrepreneurs and investors, and international ratings of national competitiveness indicate to the deficiencies of the legal environment and the lack of decisive action in Latvia.

The President of Latvia also informed that he had urged the Saeima to improve the legislative process and improve the quality of laws. “The ideas for improvement of the legislative process promoted by me regarding review of the issues during the third reading, more thorough analysis of balanced proposals and possible amendments to laws could bring an immediate contribution to improvement of the legal environment's certainty,” said the President of Latvia, when appreciating the Saeima's commitment to work on both the improvement of the quality of laws, explaining the legislator's work, and raising awareness of the public about the decisions taken and their justifications.

During the meeting, the President of Latvia drew the attention to the fact that development of Latvian national economy was based largely on the financial instruments of the European Union Funds so far. They were still accounting for the largest share of the total public investment in the country then.

“The next multiannual budget of the European Union will be a big challenge for the Latvian economy in the future, because there is no certainty about its amount and the amount of resources available to Latvia. Therefore, we may not hesitate and we must already take decisions on provision of the most favourable legal environment and business environment in order to attract the maximum number of local and foreign investment, thus ensuring development of the Latvian economy in the long term,” said Raimonds Vējonis.



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