

FOREIGN INVESTORS  
COUNCIL IN LATVIA

# Attractiveness of Latvia to Foreign Investment

**ZLATA ELKSNIŅA-ZAŠČIRINSKA,**

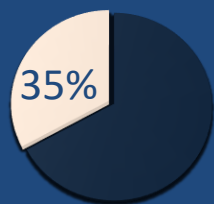
Foreign Investors Council in Latvia, Chairperson of the Board



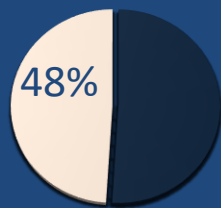
# Foreign companies in Latvia in 2015

The number of companies above 145K EUR turnover and 50% foreign capital (majority)

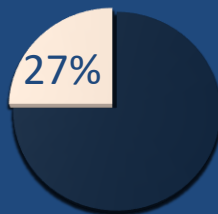
**4631** or 21% of total number of companies in Latvia



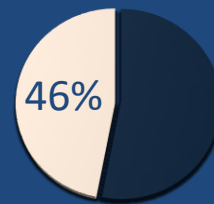
of total social tax



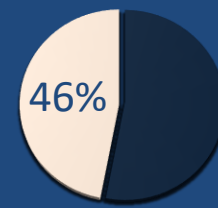
of total taxes paid



of total workforce



of total turnover



of total profit


Source: Firmas.lv, 2015

# Further Investment Plans

Plans to invest more or less in Latvia in the coming years, investors' viewpoints differ:

50% 

yes, we plan to  
increase investment

30% 

no, we do not plan to  
increase investment

18% 

not decided or 'no  
particular need

# What is important to investors?



Access to skills and labour



Predictable tax and legal environment



Support from the government

# FICIL Sentiment Index 2015 - 2016

## Foreign investors' in Latvia assessment of the potential drivers of economic competitiveness of Latvia:

Quality of labour

Efficiency of labour

Demand for products and services

Attitude towards foreign investors

Quality of business legislation

Quality of education and science

Quality of health and social security

Hard infrastructure

Soft infrastructure

Demography

# Collaboration is crucial in order to drive growth



Which of the following activities, if any, are you planning in the coming twelve months in order to drive corporate growth or profitability?

28% Global

26% Latvia

24% CEE

59% Germany

*... collaborate with entrepreneurs or start-ups\**

\* PwC's 20th CEO Survey, 2017

# Availability of key skills is a worldwide concern



How concerned are you about the following business threats to your organisation's growth prospects?

Respondents who stated 'Somewhat Concerned' or 'Extremely Concerned'

77% Global

83% Latvia

76% CEE

81% Lithuania

71% Estonia

*... availability of key skills\**

\* PwC's 20th CEO Survey, 2017

# Artificial intelligence is an inevitable way to grow



To what extent do you agree or disagree with the following statements about your organisation's talent activities?

Respondents who stated 'Agree' or 'Agree Strongly'

39% Global

57% Japan

45% China

33% Western Europe

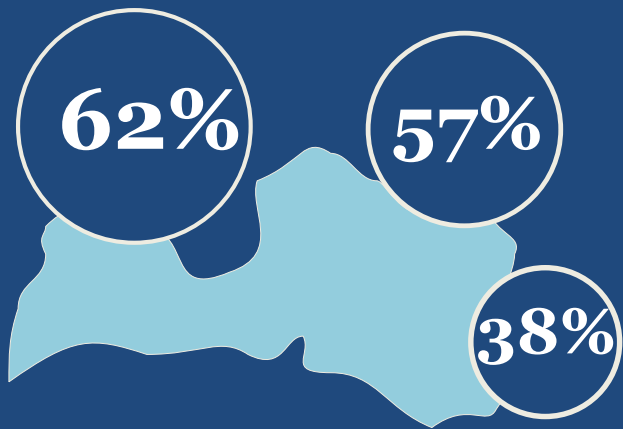
27% CEE

*... we're considering the impact of artificial intelligence on future skills needs.*

\* PwC's 20th CEO Survey, 2017



# The way forward



**62%** CEOs currently are collaborating or consider to collaborate with academic institutions

**57%** CEOs say that innovative solutions are extremely important to remain competitive

**38%** CEOs in Latvia currently are investing in R&D



**Collaboration in innovation  
is a key**