

The 29th High Council meeting between the Government of Latvia and the Foreign Investors' Council in Latvia

October 31, 2025

The Cabinet of Ministers of the Republic of Latvia (hereinafter – the Government) and the Foreign Investors' Council in Latvia (hereinafter – FICIL), with regard to their common objective to boost Latvia's competitiveness, to facilitate the attraction and retention of foreign investment, and to foster improvement of the business environment, agree that the key strategic priorities for 2026 will be ensuring **fair and robust competition, advancing transparency and efficiency in public procurement, promoting good governance and effectiveness of public administration**. These priorities are essential for strengthening investor confidence, increasing productivity, and securing Latvia's long-term economic growth and resilience.

Until the next High Council meeting in 2026, the Government and FICIL will work together on the following shared priorities. To **strengthen governance and accountability in public administration**, both sides will:

- Advance performance-based budgeting across institutions, transforming it into a strategic decision-making tool that links financing with measurable results, ensures accountability through transparent monitoring, and builds on existing pilot projects with a clear roadmap for full implementation.
- Continue modernisation of the public sector by expanding shared service models, simplifying and digitalising processes, and elevating data into a strategic national resource.
- Strengthen investor confidence by ensuring predictable and high-quality legislation, while continuing to improve the efficiency of the judicial system- including further strengthening of the Economic Court, ensuring timely rulings, and full digitalisation of case management, as well as, the continued development of the e-case systems.

To ensure **fair and robust competition that fosters innovation, growth and investor confidence**, the parties commit to:

- Safeguard a level playing field by ensuring that state- and municipality-owned enterprises (SOE) operate under the same principles as private companies, under appropriate conditions on state participation and transparent governance.
- Reinforce corporate governance in SOE and embed measurable goals in their strategies, while rationalising the portfolio and advancing capital market instruments to strengthen transparency, innovation, and fiscal returns.
- Strengthen the capacity and independence of regulatory and supervisory institutions, particularly the Competition Council, to effectively enforce neutrality, prevent market distortions and build investor trust.

To make **public procurement a driver of both transparency and economic growth**, the Government and FICIL will:

- Enhance transparency, oversight and efficiency in the public procurement system, while professionalising the procurement workforce, ensuring open access for foreign investors, reducing administrative burdens, and modernising digital tools, such as the electronic procurement system.
- Use procurement strategically to attract investment, drive innovation, while aligning with national priorities, supporting sustainable and socially responsible practices.

Alongside these headline areas, FICIL also stresses the importance of addressing **cross-cutting priorities for Latvia's long-term development**:

- Prioritise the development of Latvia's human capital by setting a clear governance structure, securing sustainable funding, and introducing measurable outcomes that link education, professional development and labour market reforms to competitiveness.
- To reduce the shadow economy, it is necessary to continue improving the tax system in line with changes in the national economy and society, to ensure clear and consistent communication and actions by the State Revenue Service, as well as, a full-fledged implementation of the Shadow Economy Restriction Plan with regular evaluation and public reporting.
- Advance the National Energy and Climate Plan with clear investor signals to support financing and sustainable growth in line with EU goals, and ensure energy policy consistency with EU objectives, including a clear framework for renewable energy development, such as wind parks.

For further consideration by the Cabinet of Ministers, FICIL submits five position papers with proposals and recommendations in the following areas:

- Economic Development of Latvia for all;
- Human Capital;
- Investment Protection;
- Future Public Administration;
- Combatting the Shadow Economy.

The next high-level council meeting between the Cabinet of Ministers and FICIL will take place in the autumn of 2026.

Prime Minister of Latvia
Evika Silīņa

/E. Silīņa/

Chairperson of the FICIL Board
Reinhold Schneider

/R. Schneider/