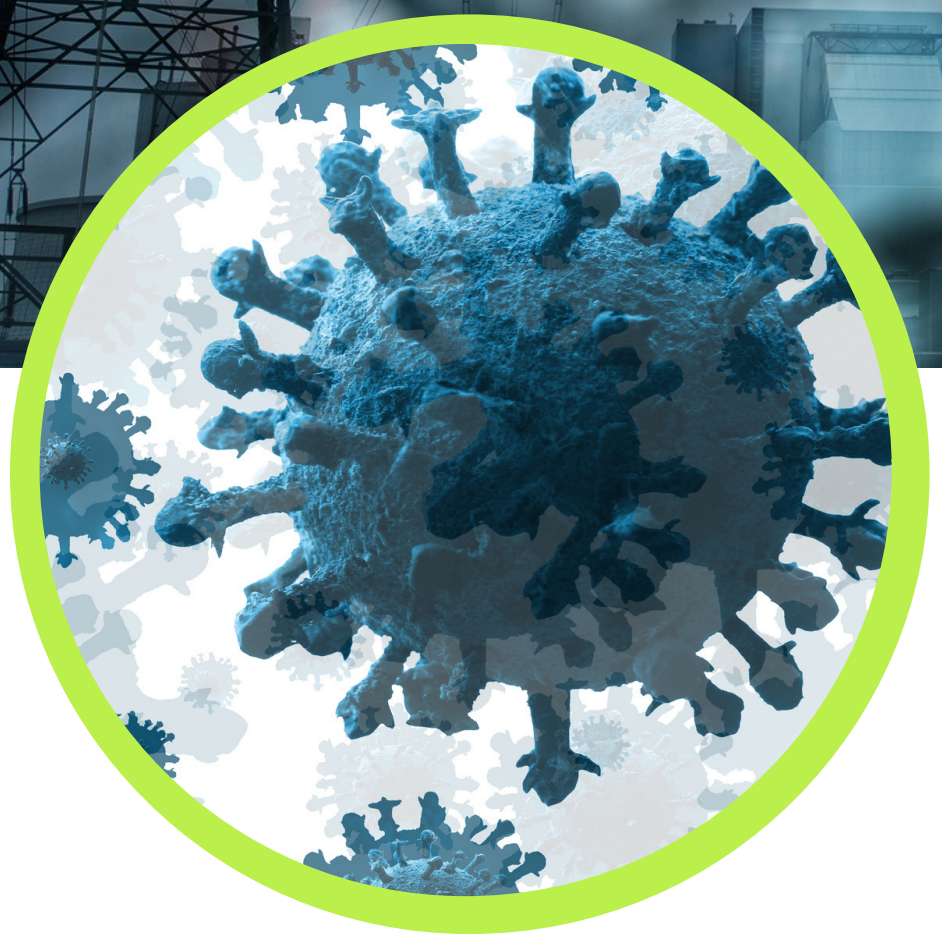


# **BUSINESS ENVIRONMENT AND BRIEF MACROECONOMIC REVIEW OF THE LATVIA ECONOMY IN THE CONTEXT OF EU MEMBERSHIP**

**N A D I I A P R O S K U R N I N A**

**CED-2024**





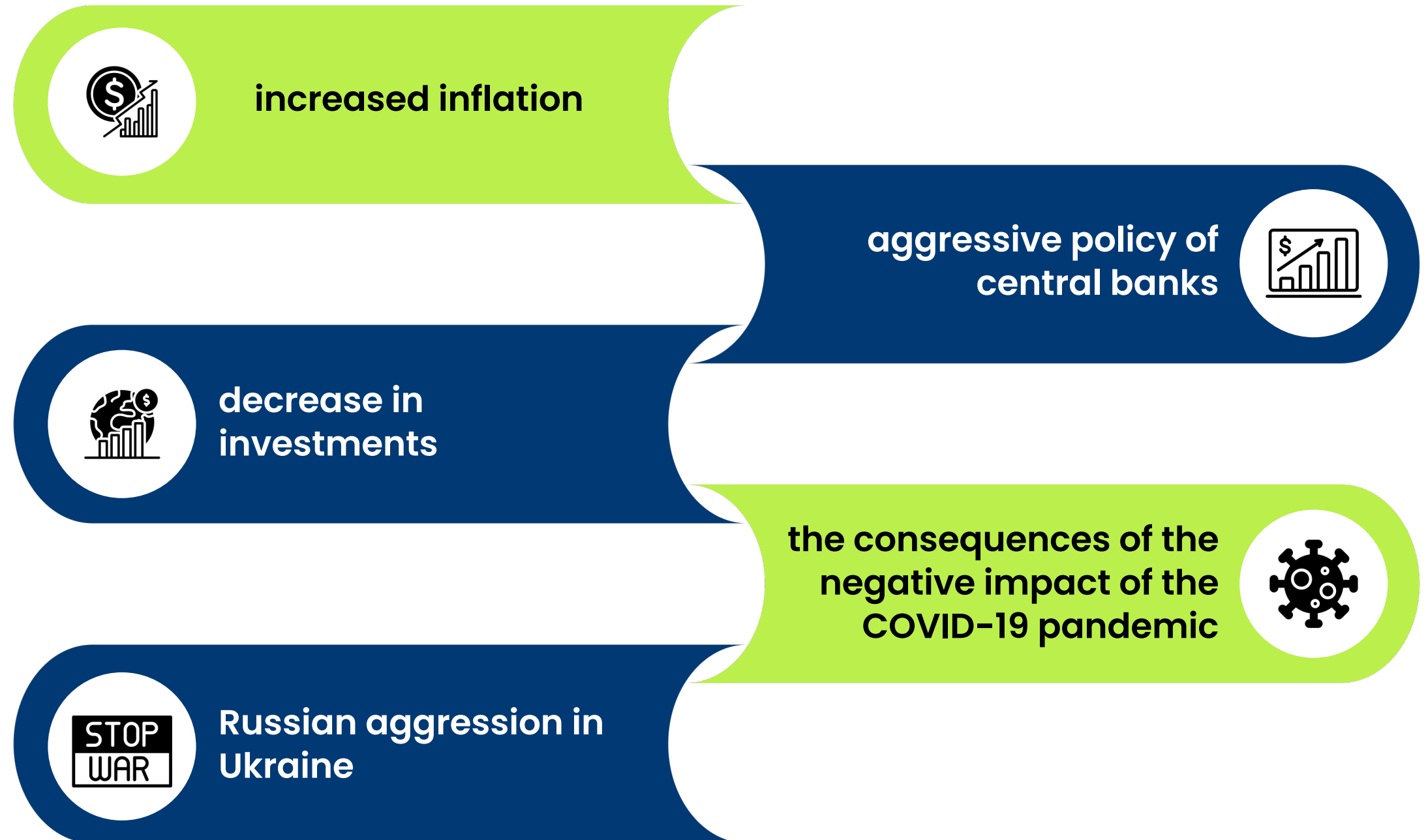
the consequences of the COVID-19 pandemic and the geopolitical situation in Europe had a very strong impact on all processes



- 01** 2023 BEGAN WITH AN ECONOMIC RECESSION AND GDP GROWTH IS FORECAST TO BE 0.0% FOR THE EUROZONE AS A WHOLE
- 02** 0.5% FOR THE US
- 03** AND A FALL IN GDP TO -0,54% IN GERMANY



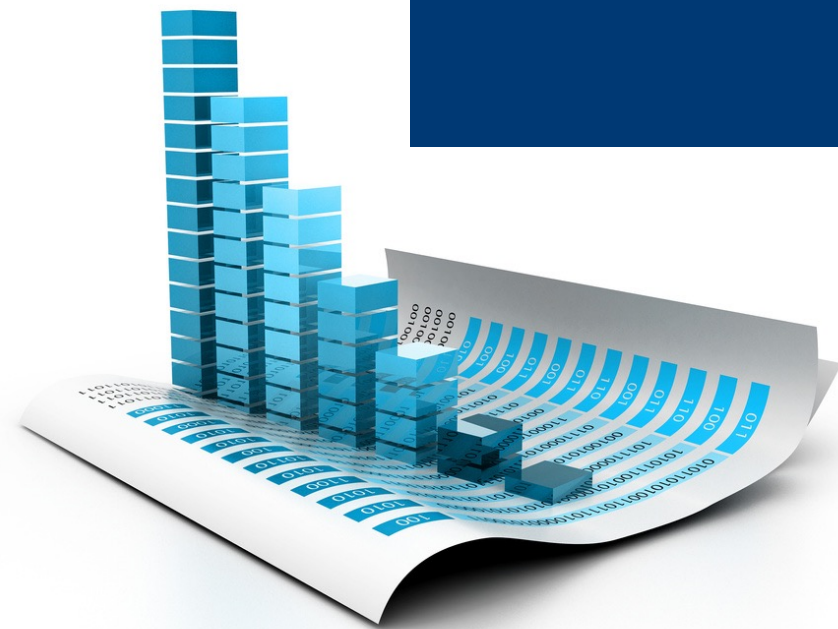
**The reasons for the disappointing state of the economy, in principle, developed and successful countries, lie in the following:**



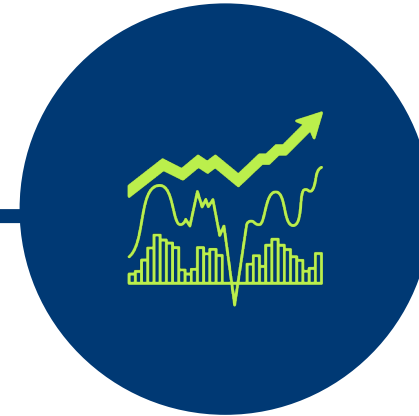
# Risks



This could be the first time in 80 years that there have been two global recessions in the same decade



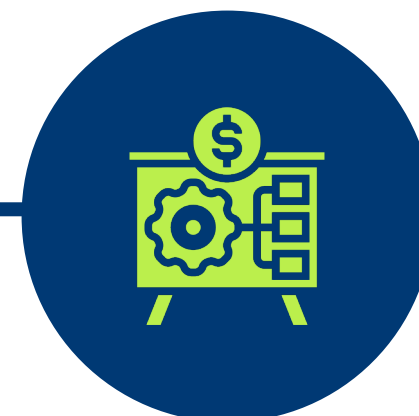
# **LATVIAN BUSINESS SECTOR**



**INCREASED TURNOVER**



**INCREASED PROFIT**



**INCREASED FOREIGN INVESTMENT**



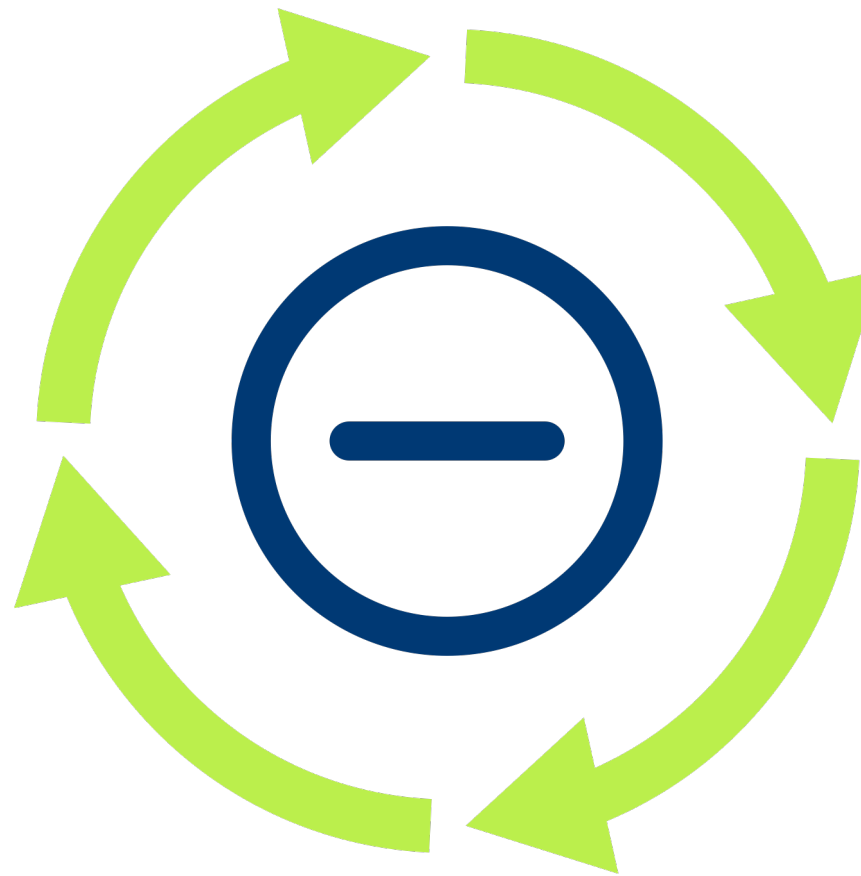
**INCREASED VOLUME OF TAXES PAID PER ENTERPRISE**



## Latvian business sector

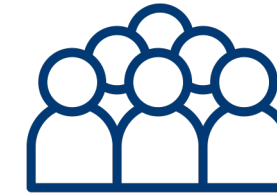
### Number of enterprises

the number of newly created enterprises annually is less than that of liquidated ones



### Population

**only 1.8 million people**



### Liquidation statistics

with 10.5 thousand newly created enterprises, there were 24 thousand liquidated ones



## Conducted surveys

61% of respondents in 2023 believe that geopolitical risks will be the main problem in near future, and 25%-35% consider inflation and energy prices to be significant risks. Also, about 30% of entrepreneurs see macroeconomic instability as a serious threat to their enterprises.





# the structure of the national economy of the Republic of Latvia

more than 90% of enterprises are small businesses



**Latvian main problem for  
next decades**

**THE POPULATION WILL DECREASE BY ABOUT 25%,  
AND ABOUT 1/3 OF THOSE LIVING WILL BE  
PEOPLE AGED 65+**



The question is already at the political level:  
"Adjustment of Latvia's strategy to preserve the nation and actions to reduce the "slippage" of the economy", and there are two key questions in the business strategy: who will produce?, and who will buy?



# the structure of the RND investments in USA vs Latvia

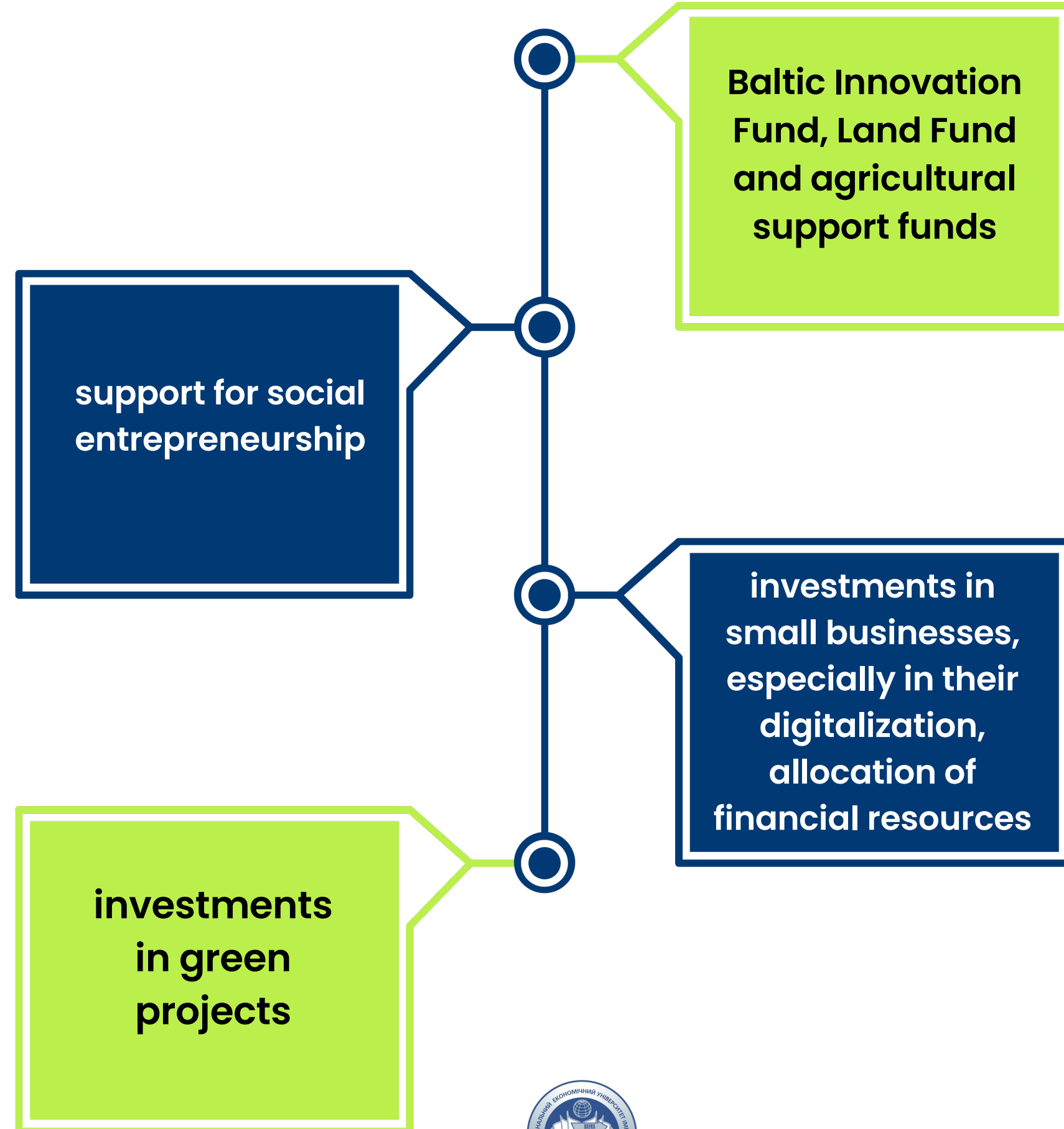
In United States, 75% -85% of investments go to large enterprises with more than 500 employees

In Latvia, this percentage is only 27, and 40% of investments go to micro-enterprises and small businesses



## ALTUM - 1.0 billion EUR

A financial institution for state development, which, with the help of financial instruments (loans, guarantees, investments in risk capital funds), ensures financial activity in the area that the state has identified as important and supported, but for which there is insufficient funding from credit institutions



# key tasks



effective management and environment



competent people (new knowledge, skills and abilities) and, as a result, a constant process of obtaining education



competitive product and export focus



# Thank You

—  
l e t ' s t a l k

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2024**



**NADIIA PROSKURNINA**