

Press Release

Riga, 07.11.2018

Business Union of Latvia: “The most investment-friendly municipalities are Aizkraukle region, Mārupe region and Ventspils.”

Riga, 7 November 2018. The second opening of the index “Most Investment-Friendly Municipality” organised by the Latvian Business Union took place at the Ministry of Environmental Protection and Regional Development of Latvia (VARAM). Aizkraukle region has been recognised as the most investment-friendly municipality in the group of 21 development centres at a regional level, but in the group of 89 development centres at a regional level – Mārupe region. In the group of the Republic’s cities, Ventspils has been announced as the winner for the second year.

Rinalds Muciņš, VARAM State Secretary: “The index results obviously demonstrate that the municipalities implement various support measures that promote entrepreneurship and that these measures are also specifically adjusted to the situation of each particular municipality and the needs of entrepreneurs. We believe that mutual comparison between the municipalities develops favourable competition between the municipalities and entrepreneurs. It is also a good opportunity to get to know the experience of other municipalities and gain inspiration for new ideas to be implemented in your own regions.”

The Business Union of Latvia thanks the municipalities for the great work implemented in the support of small business. It is up to the municipalities to not only encourage foreign investors, but also promote the interest of every citizen of Latvia in their city or region. Municipalities have been our strategic partners from the very beginning of the initiative “Support Small Business” and Small Business Day. **Chairperson of the Business Union of Latvia Elīna Egle:** “I am truly glad to see that municipalities are improving the business environment – arranging infrastructure, investing in education, encouraging product sales and promotion, organising informative events and grant programmes. I am convinced that in supporting one another in the centenary of Latvia, the profits of small business will reach one billion euros, making a significant contribution to overall welfare.”

The results of the second index “Most Investment-Friendly Municipality” in 2018:

The nomination: Regions of regional level development centre (21)	The nomination: Regions of local level development centre (89)	The nomination: National level development centres of the Republic’s cities (9)
1. Aizkraukle region 2. Dobeļe region 3. Kuldīga region Special success in Madona and Gulbene regions	1. Mārupe region 2. Olaine region 3. Jelgava region	1. Ventspils 2. Valmiera 3. Liepāja

Historically against the index of 2016, this year the summarisation of quantitative data does not show any radical increase or drop. The calculation of the index, which consists of a quantitative or statistical section and qualitative or municipal assessment according to the activities implemented to promote entrepreneurship in their territory, shows that it is not always only the large municipalities that are most capable of promoting entrepreneurship. To the contrary, the index approves that in the regions with a regional development centre and in the regions with a local development centre, a wide range of support measures for the promotion of entrepreneurship, tailored specifically to the particular situation of the municipality and to the needs of the entrepreneurs is being implemented. The groups of the above mentioned municipalities demonstrate that cooperation is also very important – at a local and regional level, by being involved in various activities with business-related institutions, in order to strengthen the competitiveness and popularity of municipality entrepreneurs.

Methodology of the Index

Part I. Statistics about 2017 in the following indicators (40% proportion in the index; SIA “Lursoft” calculations):

- ❖ The number of active entrepreneurs per 1000 residents:
- ❖ The number of employees in the companies of the region in relation to the population (data of 2016), (%)
- ❖ Total turnover (data for 2017; thsd. EUR) per 1000 residents
- ❖ Total profit (data of 2017; thsd. EUR) per 1000 residents
- ❖ Corporate Income Tax (data of 2017) per 1000 residents

The mentioned statistical indicators were selected to reflect the results of the entrepreneurs in a concise manner and to assess the positive contribution of the entrepreneurs to the municipality and society. The index does not include state and municipal enterprises, their financial indicators.

Part II. The assessment/nomination of the planning regions, in which the activities organised by the municipalities for the promotion of entrepreneurship and investments in the establishment of a friendly environment (60% proportion in the index) were evaluated.

- ❖ In accordance with the Regional Development Law, the competence of the planning region includes the promotion of economic activity in the territory of the planning region. For the provision of this competence each of the planning regions has established business centres that have a coordinating role at the regional level between state, municipality and non-governmental institutions supporting business and the area of business promotion.
- ❖ Business centres of the planning regions are stakeholders of a regional level or the competent involved parties, that provide a bottom-up assessment within the region about the performance of the municipality in the area of business promotion.
- ❖ Within the preparing of the index “Most Investment-Friendly Municipality” the planning regions nominate the TOP 3 municipalities from each region, by providing descriptive information about the following aspects:
 - ❖ The accomplishments and achievements of the municipality in implementing the support measures for promoting entrepreneurship (including the establishment of business support infrastructure);
 - ❖ Cooperation of the municipality with various organisations in business promotion activities.

Part III. The ratings of the quantitative data results and the qualitative data results are summarised using the weighted average of ratings.

The index is developed within the Business Union of Latvia initiative “Support Small Business”, which unites more than 5600 companies, which form almost one tenth of the active companies in Latvia. Initiative “Support Small Business” and Small Business Day are supported by [the municipalities of Latvia](#), the Ministry of Environmental Protection and Regional Development and “Lursoft”, informs: news agency “LETA” and “Latvijas Avīze”.

Photos from the opening of the index: <https://failiem.lv/u/wdttfcm>

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Latvian SMEs internet site: www.savieniba.lv [Facebook.com/Latvijas-Biznesa-savieniba](https://www.facebook.com/Latvijas-Biznesa-savieniba)

Initiative “Support Small Business” internet site: www.mazabiznesadiena.lv

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Additional information:

The organisation of employers, the association “Business Union of Latvia” dates back to 1996. Currently the Union represents 59 companies and with the help of 11 organisations of entrepreneurs even more than 800 member companies. The Union is the only representative of the interests of SMEs of Latvia in the European Union – member of SMEunited and provides a constant dialogue with the European Commission in the field of SMEs.

Business Union of Latvia implements the initiative “Support Small Business!” and organises Small Business Day, which attracts more than 5600 companies. In 2018, Small Business Day will take place under the symbol of the centenary of Latvia – on 17 November. To make Small Business Day an official day to celebrate on the third Sunday of November each year, the collecting of signatures has also been initiated in the portal “Mana Balss”. The celebrated day is an opportunity for society to appreciate the contribution of enterprising and creative people to the economy and employment of Latvia. By collecting 10 000 signatures on the portal “Mana Balss” site <https://manabalss.lv/i/1087> the Business Union of Latvia will encourage amendments to the Law “On Holidays, Remembrance and Celebration Days”.