



UNIVERSITY OF LATVIA
**FACULTY OF BUSINESS,
MANAGEMENT
AND ECONOMICS**

LV PEAK
LATVIJAS UNIVERSITĀTES DOMNĪCA

University of Latvia Think Tank **LV PEAK**

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About UL Think Tank LV PEAK

- University of Latvia think tank LV PEAK (LV PEAK) is **a research institute** at the Faculty of Business, Management and Economics of the University of Latvia.
- The Productivity Research Institute LV PEAK was established on 25 November 2019. The basis of the LV PEAK is a recommendation issued by the Council of the European Union on 20 September 2016 and the 29 October 2019 decision of the **Cabinet of the Ministers of the Republic of Latvia to nominate The University of Latvia think tank LV PEAK as a National Productivity Board of Latvia** and thus to delegate it to represent Latvia in the Productivity Network of the EU Member States.
- The **origins** of the Institute **are the Latvian Forum for Productivity, Efficiency, Development, and Competitiveness - Forum LV PEAK**, established on May 10, 2018, by the University of Latvia following the initiative of the group of distinguished Latvian researchers.



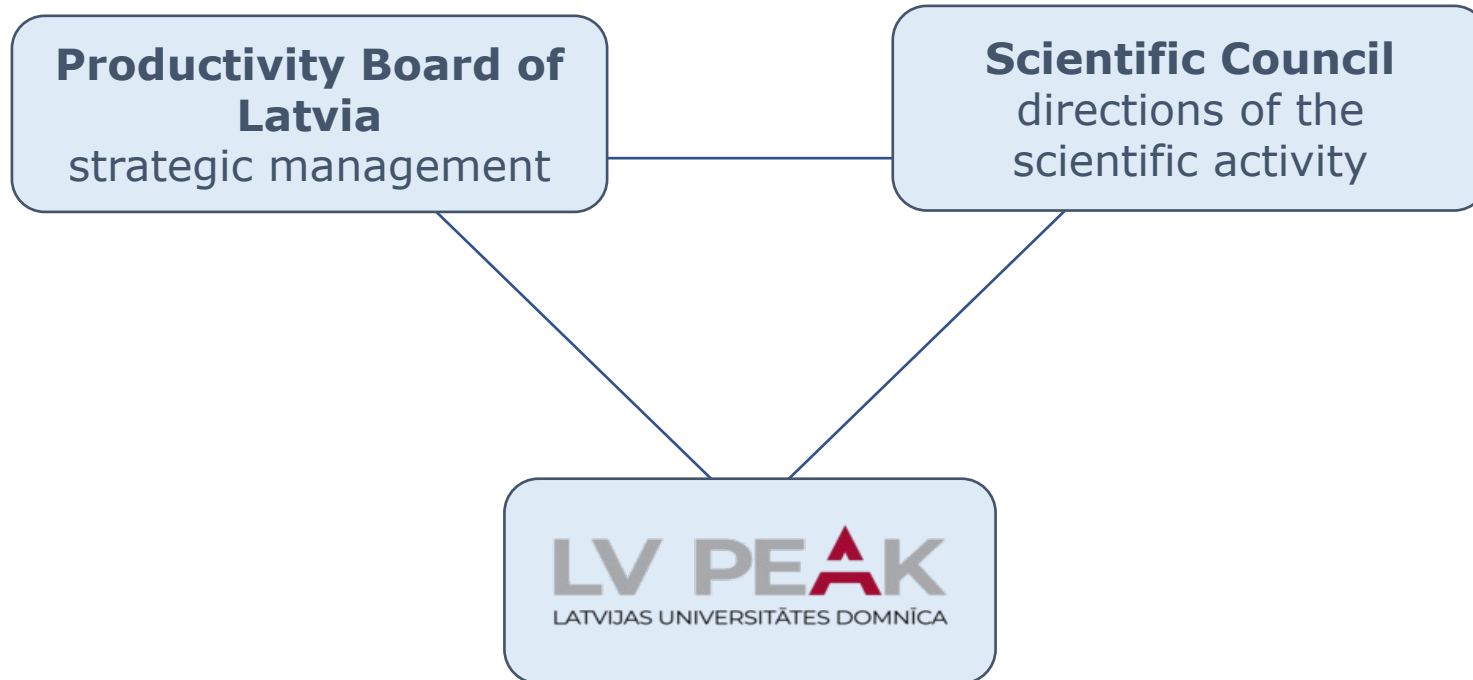
About UL Think Tank LV PEAK

- The **core mission** of the LV PEAK is to carry out an **independent and scientifically justified analysis of productivity and competitiveness** at the national level and to **develop policy recommendations for the Latvian government.**
- The LV PEAK has a **cooperation agreement with the Latvian Academy of Sciences, Latvian Chamber of Commerce and Industry and the Employers' Confederation of Latvia.**



About UL Think Tank LV PEAK

- The **strategic management** of the work of the LV PEAK is ensured by the **Productivity Board of Latvia**, which consists of 7 highly competent members, including academics and distinguished experts.
- The **directions of the scientific activity** are determined the **Scientific Council** of the LV PEAK.





Recommendation by the European Council

- The National Productivity Boards will **analyse developments and policies** that can affect productivity and competitiveness. They will provide independent analyses and reinforce policy dialogue at the national level.
- This will **help reforms** aimed at achieving sustainable economic growth and convergence.
- Looking forward, economic growth will depend on increasing productivity. This requires well-balanced policies aimed at supporting **innovation, increasing skills, reducing rigidities in labour and product markets** and allowing a **better allocation of resources**.



Role and mandate of National Productivity Boards

- National Productivity Boards are **independent institutions that help to analyse economic productivity and competitiveness developments and challenges**. All euro area countries are invited to have such boards, while other EU countries are encouraged to do so.
- The boards will carry out high quality economic and statistical analysis and make their results available in the public domain. In this way they **make a valuable contribution to policy debates in their countries and encourage reforms aimed at achieving sustainable economic growth and convergence**. National Productivity Boards may consult relevant stakeholders, though they are required to be objective and neutral.
- The independent expertise of the boards and their annual reports can be used by governments and the European Commission in the context of the annual policy monitoring process, i.e. the European Semester.



The Productivity Board of Latvia

- The Productivity Board of Latvia is an **advisory body of the Ministry of Economics**, the aim of which is to promote research into the development of economic productivity, to stimulate discussions on the productivity issues in Latvia and the European Union and to **promote independent, objective and scientifically sound recommendations to policy makers**.
- In accordance with the public interest, the Board **submits proposals** to the Ministry of Economics **on directions of activity in the field of competitiveness and productivity development policy** based on co-operation with the Productivity Research Institute of the Faculty of Business, Management and Economics of the University of Latvia "UL Think tank LV PEAK".



The Productivity Board of Latvia

➤ The Board has the following **tasks**:

- to **develop LV PEAK strategic research priorities** in the field of national competitiveness and productivity;
- to promote the participation of LV PEAK in the **development of Latvian policy planning documents** related to the competitiveness and productivity policy issues, and to facilitate their implementation;
- to involve LV PEAK in the **assessment of draft legal acts** of the Republic of Latvia and the European Union, which relate to competitiveness and productivity policy, and to submit their assessments to the Ministry of Economics;
- to **promote cooperation in the field of productivity and competitiveness with the European Commission, the National Productivity Boards of the EU member states, the Ministry of Economics, educational and research institutions, and non-governmental organizations in Latvia and abroad.**



Latvia's Productivity Report

- According to the recommendation issued by the European Council, **analyses** and independent expertise carried out by National Productivity Boards **should be publicly available** and **Boards should publish an annual report**.
- **LV PEAK has published 3 annual Productivity Report** since its founding in 2019, which are publicly available on LV PEAK website: <https://www.lvpeak.lu.lv/en/> and on Europe Commission National Productivity Boards platform: https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-productivity-boards_en.

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Latvia's Productivity Report

- Latvia's Productivity Report analyses **productivity factors and dynamics, presents scenarios for Latvia's economic development over the long term, highlights the main challenges and provides recommendations for policy makers.**

In addition, each report includes an in-depth study into a topical area of economics at the time, e.g.: state aid criteria that boost companies' productivity; impact on productivity of remote working; investments and capital return in Latvia).

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Productivity Dialogue

- National Productivity Boards also serves as an **active agents in domestic discussions on productivity** in a form of National Productivity Dialogue, which provides a platform for an exchange of views on productivity-related challenges and possibly appropriate policies in a country to improve mutual understanding of key imperatives for future policies and productivity-enhancing reform.
- LV PEAK Productivity Dialogue is an annual event/conference with the goal to **discuss national productivity issues**, to address **the main recent research in the field of productivity** and to **present Latvia's annual Productivity Report**.



Productivity Dialogue



Ekonomikas ministrija



- LV PEAK Productivity Dialogue **brings together a wide range of stakeholders**, such as academia, economic community, public administration, policy makers, representatives of non-governmental organizations, entrepreneurs, wider public and media.

- Since the founding of LV PEAK, **3 Productivity Dialogues have been held.**



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LV PEAK Economic Barometer

- LV PEAK Economic Barometer is an **economic overview**. First Economic Barometer was published in June 2022.
- The **aim** of the Economic Barometer is to inform the public about **economic development trends, emphasising the analysis of competitiveness and productivity**, based on the results of the LV PEAK Expert survey and the scientific findings of the LV PEAK

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ECONOMIC BAROMETER
No. 1 (3) June 2023



LV PEAK Economic Barometer

- **PERIODICITY – 2x a year (June, December).**
- **CONTENT** – analysis and forecasts of the main indicators of economic development (GDP, labor market, inflation, productivity, labor costs, etc.), recommendations for improving the situation, analysis of leading indicators, review of forecasts of other institutions, youth sentiment survey.
- **THE LV PEAK EXPERT PANEL** - the Productivity Board of Latvia, the Productivity Research Institute of the University of Latvia, the Faculty of Business, Management and Economics of the University of Latvia, the Fiscal Discipline Council, the Latvian Academy of Sciences, etc.
- **Youth Sentiment Survey** – conducted by the research center SKDS, surveying Latvian residents aged 16 to 29, the survey will be annual, which will allow the development of the Youth Mood Index
- **FORECASTS OF OTHER INSTITUTIONS** – EC, OECD, IMF, EBRD, EM, FM, LB, Latvian commercial banks

ECONOMIC RECOVERY IS AFFECTED BY GEOPOLITICAL TENSIONS (Economic Barometer No.1 (3) June 2023)

	2020	2021	2022	2023	2024
 GDP (% change on previous year)	-2,3	4,3	2,8	1,4	3,1
 UNEMPLOYMENT (unemployed persons % of economically active population, 15-74 years)	8,1	7,6	6,9	6,3	6,0
 GROSS WAGES (average gross wages, % change to previous year)	5,0	11,1	9,0	8,0	6,6
 INFLATION (average annual inflation, %)	0,2	3,3	17,3	9,2	4,0

Source: Central Statistical Bureau of Latvia

The consensus forecast of
LV PEAK experts



LV PEAK Scientific Projects

- 2020/2021 Latvian State Research Project: **Towards the Post-pandemic Recovery: Economic, Political and Legal Framework for Preservation of Latvia's Growth Potential and Increasing Competitiveness “reCOVery-LV”**

Aim: the reCOVery-LV is an academic multidisciplinary applied study in which comprehensive analysis and policy recommendations were developed on reducing pandemic crisis economic consequences and fostering economic recovery.

In addition to other publications, a Monograph was written and published within the Project:

[Inna Šteinbuka \(scientific editor\), *Latvijas tautsaimniecība pandēmijas ēnā un pēckrīzes izrāviena iespējas = Latvian Economy in the Shadow of Pandemic and Opportunities of the Post-crisis Recovery*, Rīga: LU Akadēmiskais apgāds, 2021, 360 p.](#)

The collective monograph has been recognized as one of the 10 most significant achievements in science in 2021 by Latvian Academy of Sciences.



LV PEAK Scientific Projects

➤ 2021/2022/2023 Project **Modelling and Analysis of the Economic Impact of Climate Goals**

Aim: Ministry of Economics in collaboration with LV PEAK will establish and maintain an economic modelling system to determine the economic impact of meeting the identified economic and climate objectives.

In addition to other publications, a Monograph was written and published within the Project:

[Šteinbuka, I., Bogdanova, O. \(eds\). Towards Climate Neutrality: Economic Impacts, Opportunities and Risks : reviewed monograph. Riga: University of Latvia Press, 2023, 272 pages. ISBN 978-9934-18-947-0, <https://doi.org/10.22364/tcn.23>](#)



LV PEAK Scientific Projects

➤ 2022 Project **Implementation of the measures in the field of investment and productivity**

Aim: Within the framework of the project LV PEAK and the Ministry of Economics cooperates to raise public awareness of challenges in the field of productivity and promote activities necessary for the transformation of the economy towards the creation of higher added value, responding to challenges and opportunities in international markets and ensuring an increase in export potential.

Outputs:

1. Research + webinar: *Creation of a leading indicators tool, incl. use of open data, etc. alternative solutions for real-time economic monitoring (innovation, export, productivity).*
2. Research + webinar : *Impact of Inflation on Investments and Proposals for Investments in Productivity Promotion.*
3. Research + webinar : *The Green Course – progress towards climate neutrality in 2050. Strategic investment directions for the development of export potential. Future technologies and investment projects for Latvia.*



LV PEAK Scientific Projects

- 2022/2023 Project **Creation of a quantitative assessment model for the evaluation of the impact of European Union funding programmes on the Latvian economy**

Aim: LV PEAK is developing a new macroeconomic model system on behalf of the Ministry of Finance in order to evaluate the impact of the European Union's Funds on Latvian economy. With the aim of reflecting the overall impact of EU funding programmes on the country's main macroeconomic indicators.



Government public consultations

- At the request of the Ministry of Finance (FM letter No. 5.1 of February 8, 2021 - 25/21/720) the Fiscal Discipline Council in cooperation LV PEAK established an expert panel to evaluate the Recovery and Resilience Mechanism (RMM) plan for Latvia. The purpose of the expert panel was to identify the macroeconomic and fiscal impact of the RMM plan and to assess the compliance of the included reforms and projects with the tasks and priorities defined in the RMM.
- LV PEAK has participated in a meeting on Experimental statistics of productivity indicators. The meeting was organized by the Annual National Accounts Department of the Central Statistical Bureau (CSB) to discuss the possible development of productivity indicators that would be needed by the main users of national accounts data.



LV PEAK public events

➤ 2023

- Presentation: LV PEAK Economic Barometer No. 3 presentation
- 81st International Scientific Conference of the University of Latvia 2023: section "SUCCESSFUL ENERGY TRANSITION: GAP BETWEEN AMBITION AND ACTION"
- Conference "Productivity Dialogue – 2022/2023"
- Presentation: LV PEAK Economic Barometer No. 2 and Youth Sentiment Survey presentation

➤ 2022

- Webinar: On research "The Green Course – progress towards climate neutrality in 2050. Strategic investment directions for the development of export potential. Future technologies and investment projects for Latvia."
- Webinar: On research "Impact of Inflation on Investments and Proposals for Investments in Productivity Promotion"
- Webinar: On research "Creation of a leading indicators tool, incl. use of open data, etc. alternative solutions for real-time economic monitoring (innovation, export, productivity)"
- 80th International Scientific Conference of the University of Latvia 2022: session "Towards climate neutrality: economic impacts, opportunities and risks"

➤ 2021

- Seminar: Modelling and Analysis of the Economic Impact of Climate Goals
- Conference: Productivity Dialogue - 2021

➤ 2020

- Conference: Productivity Dialogue - 2020





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Thank you for your attention!

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