

# OECD Economic Report on Latvia

Published: 28.09.2020.

On 29 May 2019 General Secretary of the Organization for Economic Cooperation and Development (OECD) presented [the 2019 Economic Report on Latvia](#) in Riga. The economic report reviews Latvia's economic situation, the process of implementing major reforms, the challenges of Latvia's economy and presents recommendations.



## OECD Economic Surveys LATVIA

MAY 2019



The OECD prepares Economic Surveys once in two years and this is the third OECD Economic Survey of Latvia (the first OECD Economic Survey of Latvia had been published in February 2015). The OECD Economic Survey contains independent and evidence-based analysis on economic development, implementation of structural reforms and provides recommendations that serve as a good high-quality “manual” for policy makers.

The OECD Economic Survey of Latvia recommendations are related to:

Productivity-driven growth

Fiscal and tax policy

Health care

Regional development (efficiency of local governments, public transportation, availability of housing)

Social assistance

Education and science policy

Judiciary.

The OECD Economic Survey of Latvia recognizes that economic growth has been rapid in Latvia and fostered income convergence as well as decrease of the gap with the developed OECD countries. However, taking into account global trends, the OECD forecasts slightly lower growth rates for Latvia in the coming years. The OECD emphasizes that Latvia should pay higher attention to decrease income inequality and increase in productivity to foster growth, competitiveness and improve welfare of the population in the future.

The 2019 OECD Economic Survey of Latvia highlights the productivity issues. The OECD considers that the key challenges for productivity growth in Latvia are related to relatively high-income inequality on the one hand and on the other hand low innovation level. To ensure productivity growth further the OECD recommends Latvia to decrease income inequality, tackle regional divide between urban and rural areas, incl. increasing the size of municipalities by merging local administrations, improving the governance and planning of public transportation, improving the availability of housing in the areas with better employment opportunities. Moreover, the OECD recommends Latvia to improve the efficiency of judiciary, to continue implementation of health care reforms, and to strengthen education, science and innovation system. To tackle the issue of labour shortage the OECD recommends Latvia to strengthen work-based learning and adult education.

The OECD Economic Report on Latvia is drawn up every two years. This is the third and newest Economic Report for Latvia (the first was published in February 2015). The next OECD Economic Report on Latvia will be published in 2021.

Read more:

[The OECD and Latvia](#) (source Ministry of Foreign Affairs of Latvia)

[The OECD Economic Surveys of other countries](#) (source OECD)

<https://www.em.gov.lv/en/oecd-economic-report-latvia>

