

**Dipl. Ing. M. Sc. chem. Andris Vanags**

Latvian Chamber of Commerce and Industry, Latvia

PhD student, School of Business Administration Turība

May 6, 2011

# Agenda

Where are we?

Where is the world going?

Where do we want to go?

How to get there?

Where are we?

# Business environment

Aftermath of the financial crisis.

Necessity for funding.

Lack of research & development

The potential renovators of Latvian economy are out of game.

# Global Competitiveness Index 2010 – 2011: Latvia



Rank: 70 (out of 139 countries)

Higher education and training:

Rank: 35

**Basic requirements**

• Rank: 61

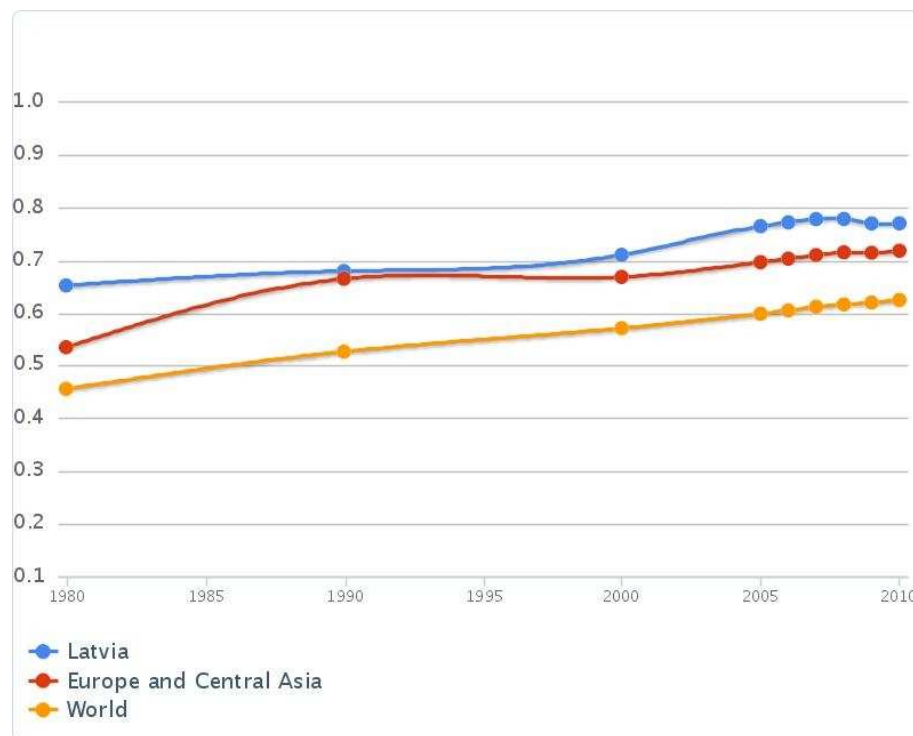
**Efficiency enhancers**

• Rank: 63

**Innovation and sophistication factors**

• Rank: 77

# Human Development Index: Trends 1980 – present, Latvia



In 2010

Rank: 48 out of 169 countries

# Still a developing country

Emerging Market and Developing Countries:

... Latvia

... Lithuania

... Estonia

/IMF, 2007/

<http://www.imf.org/external/pubs/ft/weo/2007/01/data/groups.htm#cc>

<http://www.imf.org/external/pubs/ft/wp/2011/wp1131.pdf>

**Where is the world going?**



# Dividing the world of today

## Developed countries

Countries with **high levels of real national income per head** and relatively large tertiary sectors.

[bized.co.uk](http://bized.co.uk)

A term used to distinguish the **more industrialized nations** including most OECD member countries from developing or less developed countries.

[Agoa.info](http://Agoa.info)

## Developing countries

Countries with **low levels of real national income per head** and relatively large primary sectors.

[bized.co.uk](http://bized.co.uk)

A broad range of countries that generally **lack** a high degree of industrialization, infrastructure, and other **capital investment, sophisticated technology, widespread literacy, and advanced living standards** among their populations as a whole.

[Agoa.info](http://Agoa.info)

“ If two people compete against each other and one is motivated and hungry and lacks the right tools while the other has both experience and tools, then it is likely that the one with the tools will win.

But what happens when the hungry and motivated person also has access to the same tools? ”

/Frederik Haren, 2010/

# What stands behind the phrases

## Developed countries

Formulated  
Mature  
Stagnated ?  
Relaxed ?

## Developing countries

Changing  
Altering  
Modifying  
Improving  
Outpacing !

“When I ask people in developing countries how long it is going to take before we can really see the big changes, I nearly always hear the same reply: “In five to ten years.” ”

/Frederik Haren, 2010/

# Higher education in the developing world

20 out of 50 TOP universities are based in the developing countries

Access to knowledge and information.

The countries of cheap labor force is past.

The trend setters of tomorrow.

**Where do we want to go?**

# Goal of Latvia



# Limitations of the goal





# Opportunities of the developing countries



**Maybe it is not so bad to be a developing country after all?**



How to get there?

# 1. Collaboration

Aim:

have locals as CEOs in the branches of international companies

have local successful companies

Solution: Globally competitive students  
Exchange of experience

## 2. Practice

Businesses look for skills

Hard skills

Soft skills

Solution: More practical skills gained during the study period – internships in Latvia and abroad.

## 3. Innovation

Ability to innovate, create and sell the idea

Technology centers

Business incubators

Research & Development

## 4. Investments

Latvian Chamber of Commerce and Industry (LTRK)

Employers' Confederation of Latvia (LDDK)

Foreign Investors Council in Latvia (FICIL)

American Chamber of Commerce in Latvia

German-Baltic Chamber of Commerce

What about Asia and Africa?

The winners will not be the ones who can react on changes.

The winner will be the ones who will create the changes.



**Thank you for your attention!**