



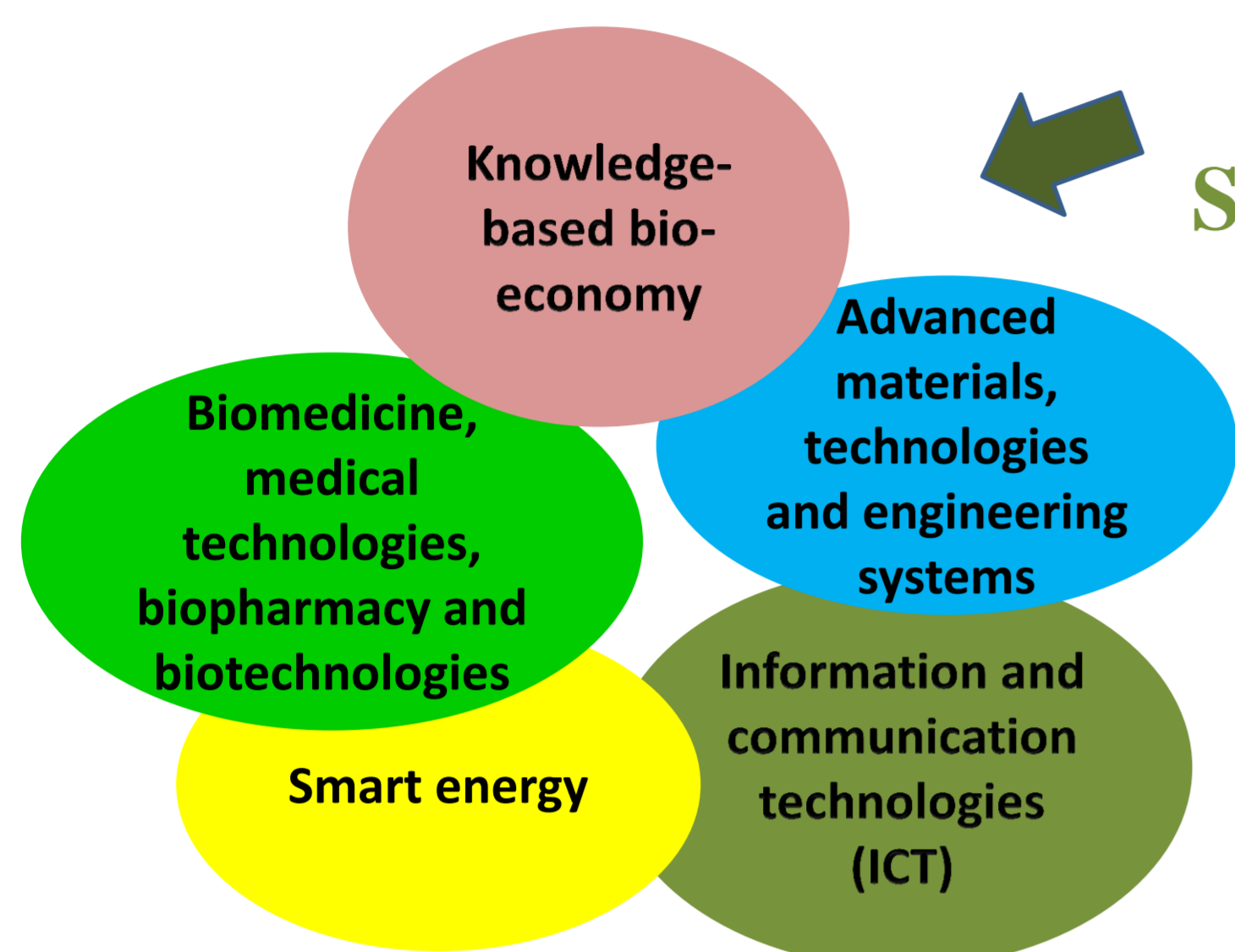
# BUSINESS DEVELOPMENT IN BIOECONOMY INDUSTRIES IN LATVIA



Latvia University of Life Sciences and Technologies  
Zane Vītoliņa, Sergejs Gemma

## INTRODUCTION

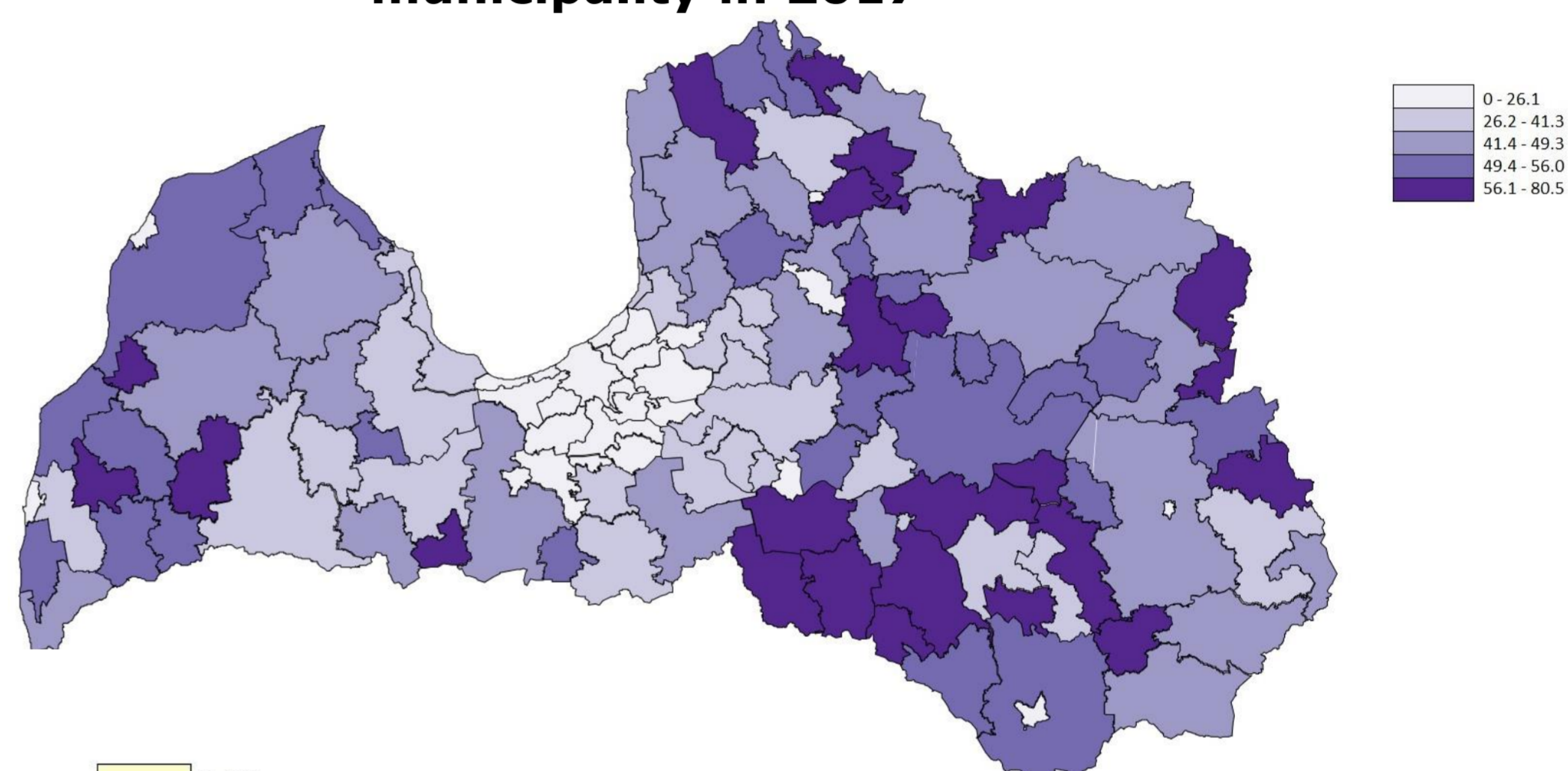
The research aim is to identify the proportion of the bioeconomy in the economy of Latvia, based on the number of enterprises in municipality level. The specific research tasks are as follows: 1) to identify the number of enterprises engaged in the bioeconomy in 2017; 2) to calculate the proportions of bioeconomy enterprises in the total enterprises in the municipalities of Latvia; 3) to analyse the situation in accordance to the tendencies of the innovative entrepreneurship as one of the RIS3 overall goals.



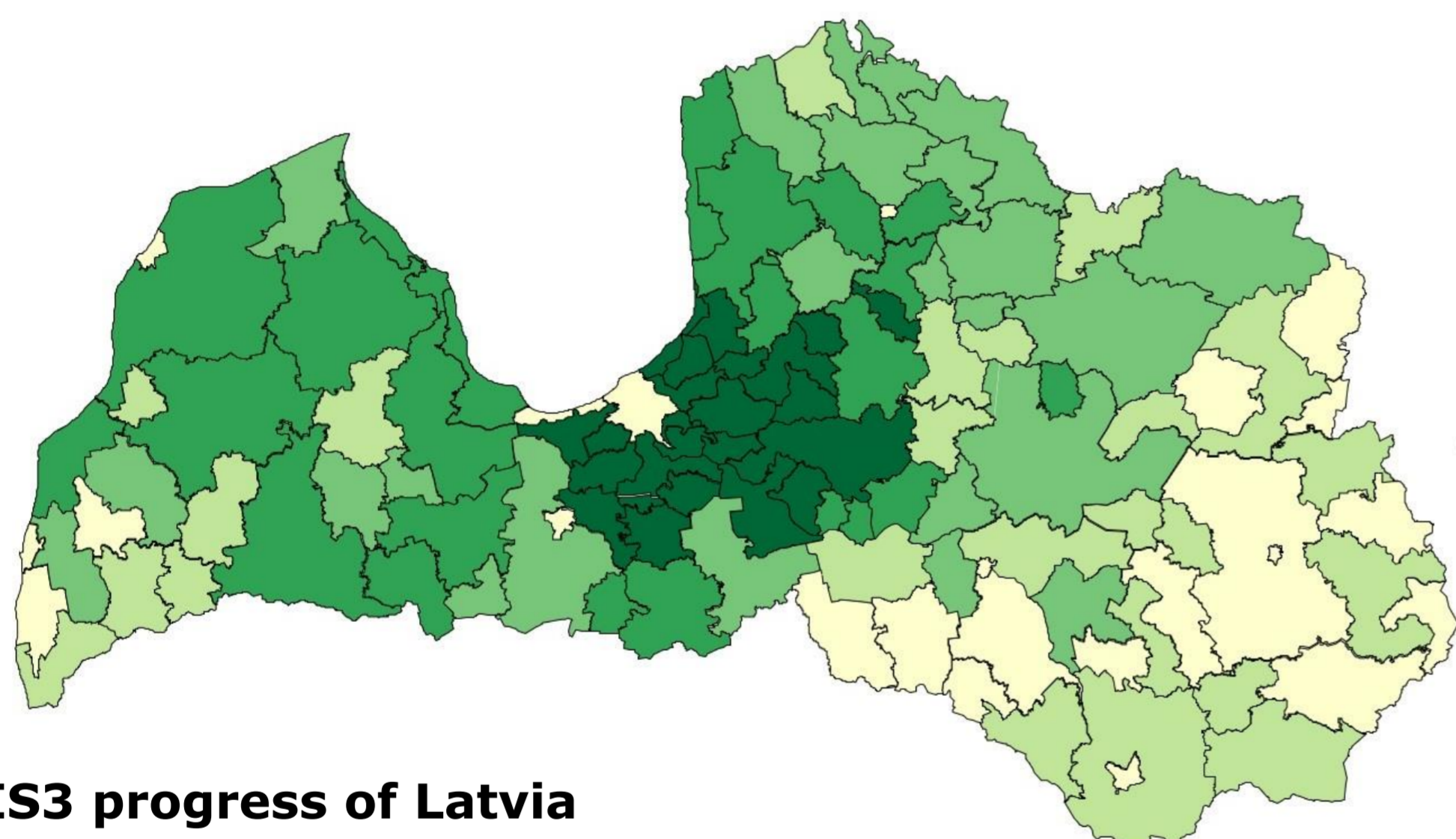
## SMART SPECIALISATION STRATEGY

Strategy of economic transformation towards higher added value and more efficient use of resources. It is a balanced and complementary support tool kit to strengthen innovation capacity of Latvian economy.

### Proportion of bioeconomy enterprises in the total enterprises in a municipality in 2017



### Share of innovative enterprises in the total number of enterprises in municipalities, 2016, %



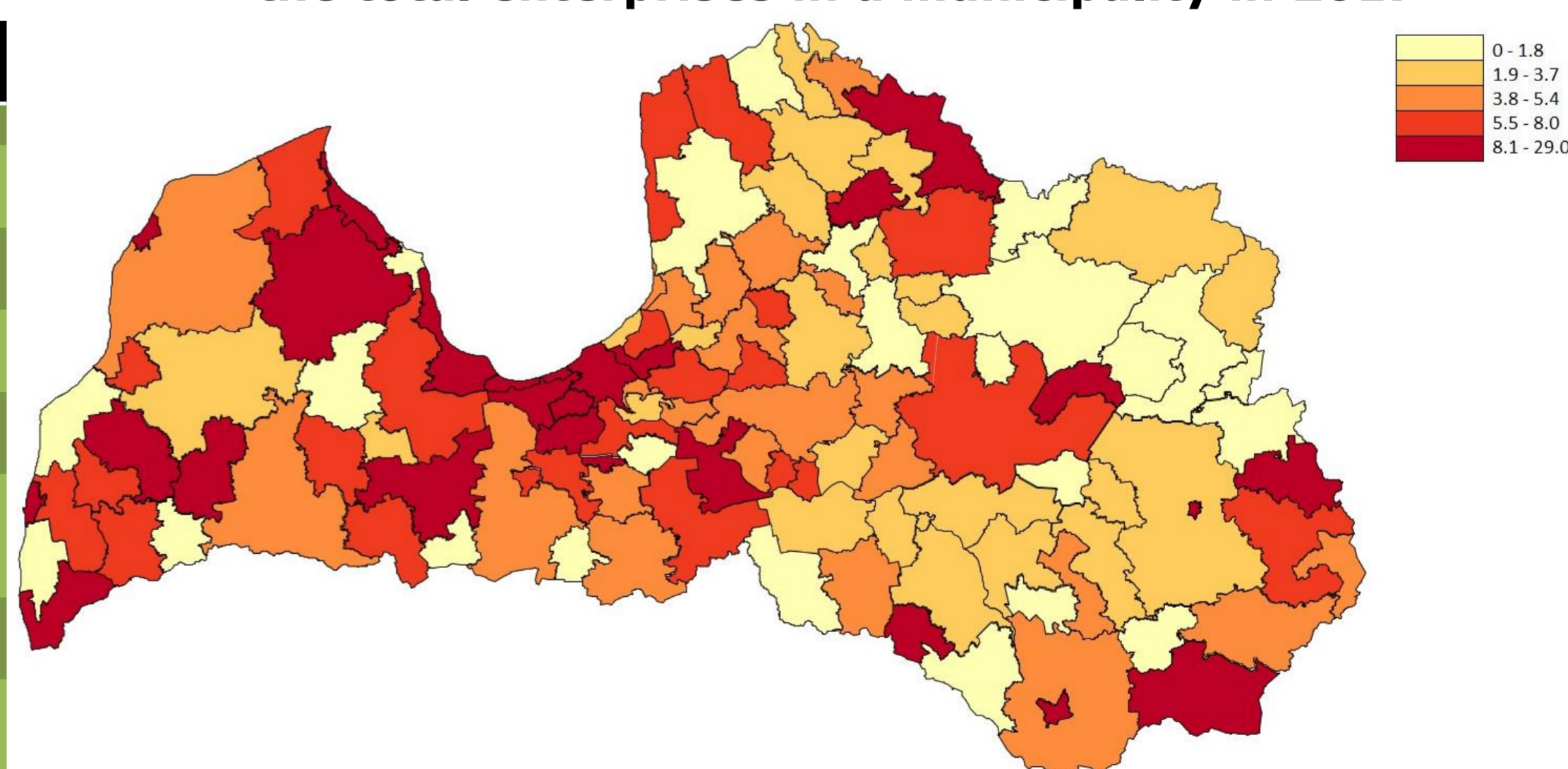
### Number of enterprises in the bioeconomy in 2014 and 2017

Year	In total
2014	24830
2017	27040

## RIS3 progress of Latvia

RIS3 overall goals	2013 Base value	2017 Planned	2017 Real	Progress	2020
Investment in R&D (% from GDP)	0,60	1,2	0,62	51,6%	1,5
Position in the EU Innovation Union Scoreboard	Modest	modest	modest	as planned	follower
Efficiency in the processing industry (EUR per employee)	20 126	24 500	22 339	91,2%	29 000
Private sector investments in R&D (% of total investments)	21,8	46	20,1%	43,7%	48
<b>Proportion of innovative companies (% of all companies)</b>	<b>30,4</b>	<b>35</b>	<b>23,4</b>	<b>66,9%</b>	<b>40</b>
Proportion of high-technology and medium-technology sectors in the export of Latvian goods (%)	23,8	27	31,6	117%	31
The number of R&D personnel (public, private)	5593	6300	5570	88,4%	7000
A smaller number of stronger publicly- funded scientific institution	42	30	22	73,3%	20

### Proportion of foreign-invested bioeconomy enterprises in the total enterprises in a municipality in 2017



## CONCLUSIONS

The progress towards the innovation is insufficient and there is high possibility that in 2020 the planned goals will not be achieved, and Latvia will score low on the European innovation scoreboard threatening sustainable development and economical growth.

The low level and monocentric trend of innovations in Latvia shows that there are significant weaknesses in the existing innovation system. The municipalities with the emphasis on bioeconomy have low levels of innovation. Strengthening the innovation capacity will improve the situation about monocentric development in Latvia. Also the regional policy must be priority in next policy planning period to stabilise the uneven development and foster balanced and more harmonised development of regions and country at all.

## ACKNOWLEDGEMENT

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