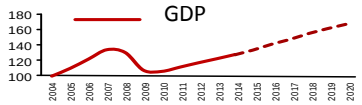
SMART SPECIALISATION STRATEGY

The objective of SSS is to increase the innovation capacity and to establish an innovation system fostering and supporting technological progress of the national economy.

THE CURRENT SITUATION



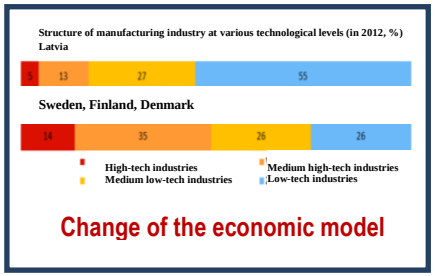
THE GROWTH PATTERN in the Latvian national economy is changing.
At present the economic benefits are cheap labour and cheap resources.
Low profitability of export.
Sustainable development requires structural changes for production of goods and services with higher AV - **competitiveness of the Latvian economy shall be based on innovation.**

STRATEGIES for changing the pattern
- growth, based on existing advantages;
- encouragement for the transformation of economy;
- catching up.

LV – the emphasis on support for the transformation of the economy, simultaneously includes elements of the next strategies.

For the transition to innovative economy **the innovation system of Latvia has to be strengthened, eliminating its shortcomings** and promoting mutual interaction among all subjects of innovation system - business, science and education.

THE RESULT



Change of the economic model

The new competitive advantages

WHAT DO WE WANT TO ACHIEVE?

Choice of the transformation strategy of the national economy is closely related to the overall development level of national economy and advantages of competitiveness (existing and potential) both at the national level and regional scale.

DIRECTIONS OF THE NATIONAL ECONOMY TRANSFORMATION

Change in production and export structure in traditional sectors of the national economy

Growth sectors in which exist /may be products/ services with high added value

Sectors with a significant horizontal influence and contribution to the transformation of the national economy [forms the background - based on innovations - for the development of comparative

SSS PRIORITIES

1 More efficient use of primary products for production of higher value added products, creation of new materials and diversification of application. Wider use of non-technological innovations and Latvian creative industry potential to produce the higher value added products and services of national economy sectors.

2 The development of such innovation system, which provides support for creation of new products and technologies within the framework of existing sectors and cross-sectors, as well as new sectors with high growth potential, based on the growth of defining key sectors that provides an effective identification system for new products/services, and are able to find and provide support for the creation of new products both within the frameworks of existing sectors and cross-sectors and create new industries with high growth potential.

3 Improvement of energy efficiency, that includes the creation of new materials, optimisation of production process, introduction of technological innovations, use of alternative energy sources and other

4 Development of a modern and contemporary ICT system in the private and public sector.

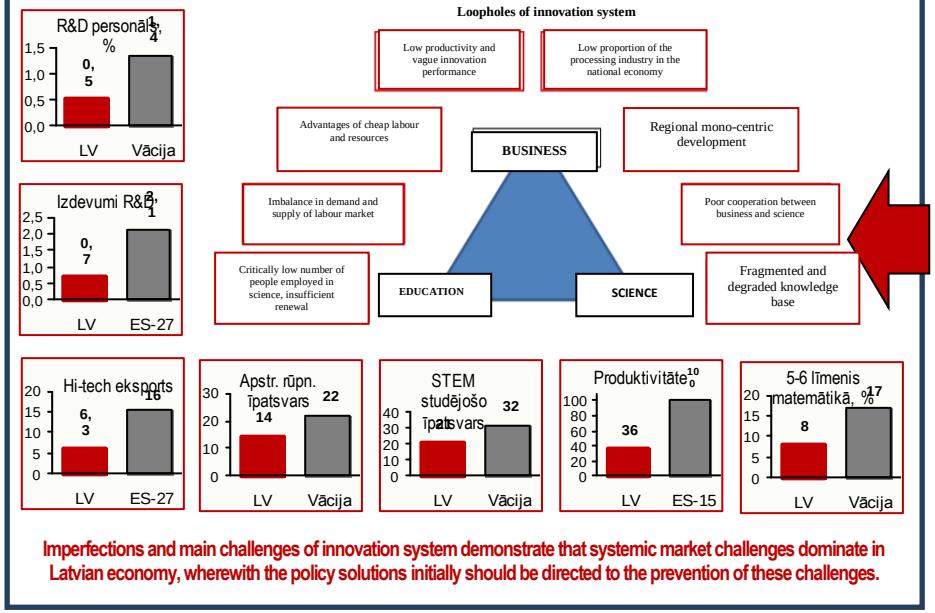
5 A modern education system that corresponds to the future labour market demand that facilitates transformation of the national economy and development of competences, necessary for implementation of SSS priorities, enterprising spirit and creativity at

6 Advanced base of knowledge (basic science and scientific infrastructure) and human capital in areas of knowledge, in which Latvia has a comparative advantages and which are important in the process of transformation of the national economy: in the areas of knowledge related to the fields of the Smart specialisation (1) knowledge-intensive bio-economy, (2) biomedicine, medical technologies, biopharmacy and biotechnologies, (3) intelligent materials, technologies and engineering systems, (4) smart energy, and (5) ICT, as well as key technologies identified by the EC (nanotechnologies, micro and nano-electronics, photonics,

7 Studying of the existing resources of territories and specialisation, proposing the prospective economic development opportunities and directions and leading and prospective business directions in the municipal territories.

Identified areas of the smart specialisation:
1 Knowledge-intensive bio-economy
2 Biomedicine, medical technologies, biopharmacy and biotechnologies
3 Smart materials and smart engineering system technologies
4 Smart power industries
5 Information and communication technologies

To implement the transformation of Latvia's national economy, as well to reach advanced priorities, it is required to strengthen the innovation capacity and create the innovation system that encourages and supports the technological progress of the national economy.



Imperfections and main challenges of innovation system demonstrate that systemic market challenges dominate in Latvian economy, wherewith the policy solutions initially should be directed to the prevention of these challenges.

LINES OF ACTION

Integration of education, science, technology development, innovation and business
The aim is improvement of the cooperation abilities for scientists and scientific institutions, promotion of scientific activity for applications in compliance with industry and market demand for new technologies and innovative solutions. To support the contractual researches and to ensure development and commercialization of the intellectual property created by the public resources and use for creation of new exportable products and services.

Innovation capacity strengthening of industries (strengthening of the innovation demand)
The aim is to increase the ability of the companies to develop innovation-based advantages of competitiveness, by moving additional resources both for the formation of companies' internal research and innovation capacity and technology and gaining the knowledge outside the company. As well as encouraging formation of new innovative companies with rapid growth potential and facilitating the fund attraction in their early phase of development.

Increase of science, research, technology development and innovation capacity return.
The aim is to promote the cooperation and integration of natural, engineering sciences and social and humanitarian sciences, promoting the growth of scientific excellence and creation of higher public and value added products and technologies, and concentrating human resources and infrastructure in technology development and transfer and in the higher level study centres, thereby providing development of more qualitative and competitive products and services.

To facilitate growth of sectors, exportability and incorporation in the chains of global values.
The goal is to promote increase of export profitability, rising productivity and increasing proportion of products with higher added value.

Improvement of the educational system in order to reduce the disproportion of the labour market
The aim is to promote the development of individual's professional and social skills for life and competitiveness in the working environment, in the same time promoting the development of entrepreneurial skills in all educational levels, to increase the quality of educational environment.

Encouragement for ensuring the public data reapplication increase.

To promote a balanced development of territories, creating the preconditions for valuable use of territory development potential and

LV EU 2020 TARGETS