



FOREIGN INVESTORS
COUNCIL IN LATVIA



FICIL Draft Position Paper on Competitiveness of the State-Owned Companies

Dace Silava-Tomsone
AmCham/ Raidla Lejins & Norcous

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Fair Competition

- define goals of the state shareholding in capital companies (market failure/strategic interests);
- comprise a list of SOE charged with fulfillment of the defined goals;
- perform periodic review of the defined goals and the list of SOE;
- formulate KPI for each SOE and follow up on their fulfillment;
- allow fair competition in procuring services required by the state.



Corporate Governance

- application of general corporate governance principles;
- no intervention by the state in daily management/financial matters;
- establishment of partially centralized (dual) model of governance with Central Management Institution and, where justified, responsible line ministries;
- transparency and reporting;
- re-institution of professional and independent Supervisory Boards for large SOE; competitive compensation; continued education and training; strict enforcement of liability provisions;
- dividend declaration on the basis of the defined short-term and long-term operational and financial goals



