

VALDIS DOMBROVSKIS

*Vice-President of the European Commission*

Strasbourg,

23.10.2019

*Dear team of Baltic Institute of Corporate Governance,*

*Ladies and gentlemen,*

*Dear friends,*

*The recipe for sustainable growth has many ingredients: responsible fiscal and macroeconomic policies, skilled labour, good trade relations, a solid currency ensuring price stability and low interest rates, to name a few.*

*But the quality of governance stands out as among the most important. Why the essential role of good governance? One answer is that it is the basis of trust.*

*Ten years ago, a few months before the Institute was founded, I became Prime Minister of Latvia. At the time, Latvia was hit hard by the global economic downturn. The crisis left us with nowhere to hide – the country was running out of money and had lost the trust of financial markets. We had to act fast to regain this trust. Correspondingly, the Latvian government carried out a number of important reforms. One idea in particular was highly welcome: creating a forum to broker trust between markets and the corporate sector in the three Baltic States.*

*The equation was simple - to revitalise the economy, our countries needed investment. To attract investment, we needed markets to trust that the business environment in the Baltic States provided for the transparent and orderly conduct of business. This is where the Baltic Institute for Corporate Governance fitted in.*

*And this is where it still fits in today. I welcome the important role the Institute plays in improving the business environment in all three Baltic States; a role which is as vital to attracting investment to our region as it was in the wake of the crisis.*

*Although the Institute's focus is mainly on the private sector, its engagement in improving corporate governance of public enterprises is also important. The first milestone project in this area was the consolidated annual review of State Owned Enterprises of Latvia, which was completed in 2010 and had the full support of my government.*

*Let me take this opportunity to express my gratitude to the Institute, which kick-started the process leading to more transparency for public sector enterprises. The regular screening of*

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*It has been almost a decade since I first addressed the Institute as Prime minister of Latvia. Today I am particularly glad to see that over the years the Institute has grown to become an organisation more than 200 members strong; one that serves as a solid framework promoting sound corporate governance culture both in the private and public sector. I also commend the active and constructive role that the Institute has played during the accession of Latvia [and Lithuania] to the OECD. And I applaud its ongoing work at improving business legislation and issuing good corporate governance guidelines both for private and state controlled businesses.*

*I would particularly like to stress the importance of the Institute's educational activities. In an age when the economy is knowledge-driven, skills and competences are of outmost importance, particularly for business leaders. The skills and knowledge of the 700 graduates of the Institute's training programmes – hailing from all three Baltic States – represent a tangible contribution to stronger and better corporate governance culture in the Baltics.*

*Looking forward, it is my sincerest wish that the Institute keeps contributing to a sound and stable business environment, helping the Baltic region along its path to sustainable economic growth and prosperity.*

*Yours faithfully,*



*Valdis Dombrovskis*