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**MEDIA CONTACT**

**Debasmita DASGUPTA (Ms)**  
Press Manager  
Asia-Europe Foundation (ASEF)  
[debasmita.dasgupta@asef.org](mailto:debasmita.dasgupta@asef.org)  
T: +65 6874 9739  
F: +65 6872 1135

[www.asef.org](http://www.asef.org)

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# Smart Austerity and the New Baltic Growth Model

Public Lecture by Mr Daniels PAVĻUTS, Minister of Economics of the Republic of Latvia

Mr Daniels Pavļuts, Minister of Economics of the Republic of Latvia, shared his views on Latvia's unique growth model during a public lecture in Singapore this afternoon. This public lecture was organised on 7 March 2013, by the Asia-Europe Foundation (ASEF) in partnership with the Ministry of Economics of the Republic of Latvia.

Latvia had a 15% export growth and 5.5% GDP growth in 2012. This was a result of benefiting from radical fiscal consolidation and sweeping structural reforms in the public sector, which was carried out during the financial crisis of 2008-2009. Mr Pavļuts describes this 'growth model' as "smart austerity" that focuses on reviving the business environment by creating a macroeconomic framework. Such framework restores confidence and directs the economy away from debt-driven financial services and construction.

Members from the diplomatic corps, representatives from think tanks, educational and research institutions as well as business sector took part in the public lecture. During the question-and-answer session, Mr Pavļuts had active interactions with the audience. Questions from the floor included how Latvia copes with the potential shortage of labour force, how accession to the Eurozone will potentially affect Latvia's economic performance and Latvia's economic relations within the European Union as well as with Russia. Speaking of the incentives that drive the Latvian economy ahead, Minister Pavļuts highlighted that Latvia will focus on access to skilled labour force, R&D, export and investment in infrastructure in the future. Minister Pavļuts further commented: "Latvia and Singapore are both of strategic importance yet face similar challenges in economic development. This is why the two countries could learn from each other's experiences and find common grounds for cooperation."

**About the keynote speaker:**

Mr Daniels Pavļuts became Minister of Economics of Latvia in October 2011. He holds a Master's Degree in Public Administration from Harvard University's John F. Kennedy School of Government. In leading positions at Swedbank and Latvian Chamber of Commerce and Industry, Mr Pavļuts facilitated the dialogue of businesses and the public sector. He has also worked as a management consultant and business trainer for the private and public sector in Latvia and abroad. From 2003 to 2006 he served as the State Secretary of the Ministry of Culture of Latvia.

For more information please visit <http://tinyurl.com/ao7dfw2>  
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The **Asia-Europe Foundation (ASEF)** promotes greater mutual understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges. Through ASEF, civil society concerns are included as a vital component of deliberations of the Asia-Europe Meeting (ASEM), which currently comprises 49 member states plus the European Commission and the ASEAN Secretariat ([www.aseminfoboard.org](http://www.aseminfoboard.org)). ASEF was established in February 1997 by the participating governments of ASEM and has since engaged over 17,000 direct participants through more than 600 projects in the realms of governance, economy, sustainable development, public health, culture and education.

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For more information, please visit <http://em.gov.lv/em/?lng=en>

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