

Latvia: A Gateway to Strategic Growth Opportunities

The Baltics Attractiveness Survey
2023

Latvia takes the lead among European countries for establishing or expanding operations in 2023. With a strong commitment to sustainability and technological advancement, it paves the way for an innovative and environmentally conscious future. Furthermore, Latvia consistently meets a wide range of criteria, making it an ideal destination for new activities and ventures. Notably, its dedication to fostering diversity and nurturing digital skills has yielded remarkable outcomes in talent acquisition. By actively exploring untapped opportunities, Latvia can unlock transformative growth and elevate its investment environment.



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Latvia is #1 country in Europe, where companies intend to establish or expand operations in 2023.

#5 FDI projects (per 1 M of population)

Investor Sentiment

More than **1 / 3** highlight the COVID pandemic

as a lingering economic risk in 2023. Moreover, there are growing concerns about **the potential impact of inflation on consumer demand** and the implications of **rising interest rates**. Looking ahead, 50% of investor survey participants predict a decrease in Latvia's investment attractiveness over the next three years, primarily due to an **increasing regulatory burden**.

Key Location Criteria

Latvia is viewed in a highly positive light when it comes to meeting the criteria for establishing new activities.

- ✓ Favorable bureaucratic and administrative environment **(26%)**
- ✓ Skilled local labor **(24%)**
- ✓ Possibility of increasing company's productivity in the region **(24%)**

Expected Growth Sectors

31% view Business & Professional Services

sector as one of the most prominent drivers of growth in Latvia. Software and IT Services (22%) stand out as the second-most influential sector, suggesting a particular emphasis on this industry and its potential to contribute to economic expansion.

Sustainability

39% of renewables

in the power supply is the most attractive factor for Latvia. Additionally, Latvia receives positive feedback for its **supportive regulations that promote sustainable business practices** (39%).

Technology

3 out of **4**

respondents in Latvia have **plans for digital transformation projects**, highlighting a strong focus on technological advancement. The country's achievements include **high rates of innovation and widespread digital adoption**, praised by 43% of respondents. Additionally, Latvia's **favorable tax approach towards global tech companies**, praised by 41%, further contributes to its digital growth.

Talent

41% recognizes growing diversity

in Latvia, attributed to **inclusive hiring and HR policies**, as well as **investment in digital skills** fostering a digital culture (39%). While digital skills are highly valued, respondents also emphasize the importance of providing businesses with **individuals who possess basic skills** as well as **reskilling and training people throughout their careers**.