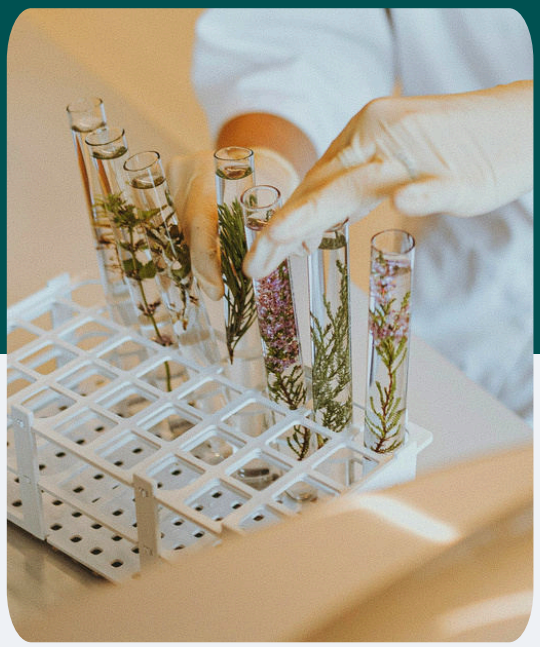
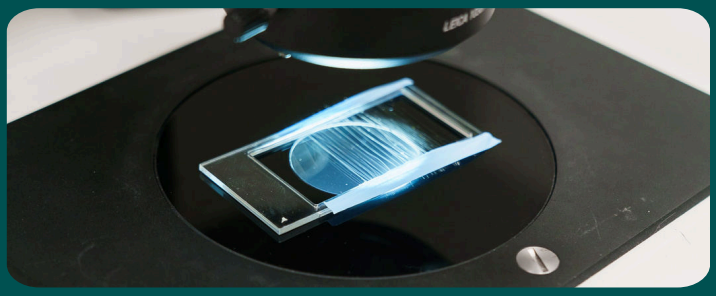
Latvia

Business report

2026









INTRODUCTION

2026 has made one point unmistakably clear: investment is becoming more selective, more strategic and more closely linked to security. Decisions are shaped not only by costs and public support, but increasingly by resilient supply chains, access to reliable low-carbon energy, technological capability, talent and the ability to scale.

For Latvia, the clearest opportunities lie where security, technology and energy converge: defence and dual-use technologies, advanced manufacturing, digital and AI infrastructure, and life sciences. EU and NATO membership, strong digital connectivity, expanding renewable energy capacity and established industrial and research capabilities give Latvia a credible base for attracting investment and linking it to local suppliers, researchers and exporters.

At the same time, 2026 has shown that potential alone is not enough. Looking towards 2027, Latvia's competitiveness will depend on investment-ready locations, predictable access to power, efficient permitting, the right skills and coordinated work by public institutions and municipalities. The decisive question for 2027 is not whether Latvia has investment opportunities, but how quickly we can turn them into projects on the ground.

Ieva Jāgere, Director General of LIAA

This report provides an overview of Latvia's investment landscape in the first half of 2026, highlighting the key developments, trends, and shifts that shaped the business environment throughout the year. It showcases significant R&D achievements, international partnerships, industry collaborations, and the innovation leaders driving technological advancement and economic growth. In addition, the report presents sector-specific insights from within the ecosystem and identifies key priorities and opportunities for 2027.

MISSION Latvia

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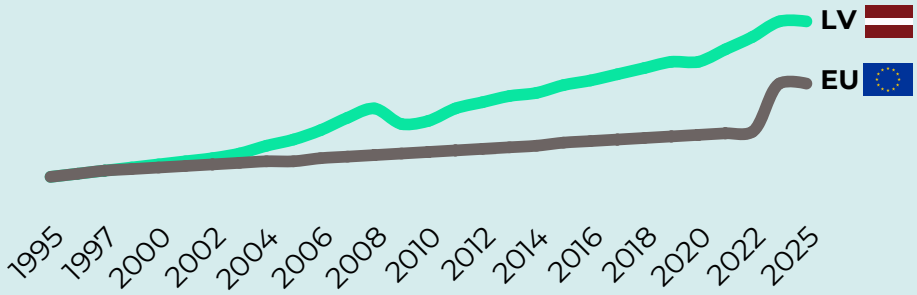
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Latvia’s business environment

Despite a challenging international environment, Latvia’s economy has returned to growth and continues to demonstrate resilience. After several years of external shocks, GDP grew by 2.1% in 2025 to EUR 43 billion, with both the OECD and the European Commission expecting continued economic expansion in the years ahead.

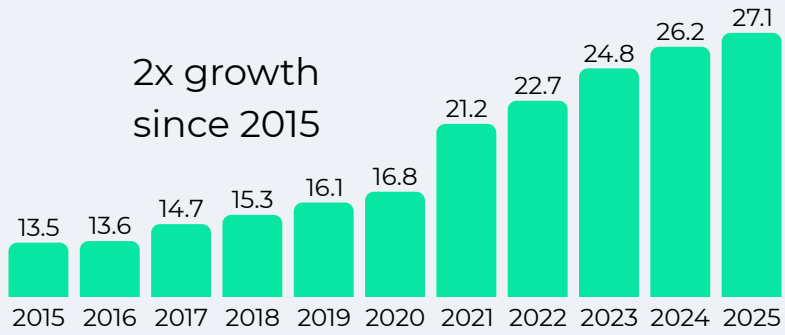
The recovery is being driven by strong investment, rising household consumption and improving business confidence. Investment increased by 9.8% in 2025, supported by private sector activity, EU funding and defence-related spending, while exports are expected to strengthen alongside improving demand in European markets.

Latvia’s GDP per capita has grown **twice the EU** average since Latvian independence in 1991



Latvia remains a highly integrated EU economy, offering investors access to the Single Market, a competitive business environment and growing energy security. The country has significantly reduced its dependence on Russian energy and continues to expand renewable energy capacity, supporting long-term competitiveness and economic resilience.

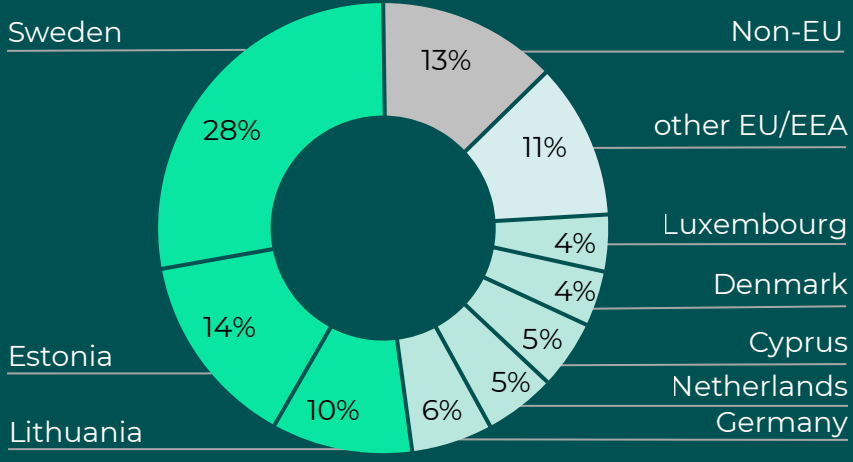
EUR 27.1 B **FDI Stock (2025)**



87%

FDI from EU/EEA

proving strong investor confidence in EU leading economies



CONSISTENTLY STRONG INTERNATIONAL CREDIT RATINGS

S&P Credit: A
Moody's: A3
Fitch: A
R&I: A

All four major international rating agencies assign Latvia strong sovereign credit ratings, reflecting prudent fiscal management, macroeconomic stability, EU and euro area membership, and resilience to external shocks. These ratings demonstrate international confidence in Latvia's economic policies and institutional framework, providing investors with a stable and predictable business environment.

AMONG WORLD'S BEST TAX REGIMES

0%
Corporate income tax on reinvested profit

#1
Corporate Tax Rate Index, 2025 (Among OECD countries)

#2
International **Tax Competitiveness Index** 2025 (Among OECD countries)

80%
Discount on CIT for dividends and real estate tax in 5 vast Special Economic Zones

#5
Property Taxes Rank (The European Tax Policy Scorecard)

Latvia offers a transparent and predictable tax environment that supports business growth and long-term investment. The tax system is designed to encourage reinvestment by taxing distributed profits rather than retained earnings, enabling companies to accelerate expansion and innovation. Combined with competitive corporate and property tax policies, this helps businesses optimize costs, improve returns, and strengthen their international competitiveness. International assessments consistently recognise Latvia as one of the most competitive tax jurisdictions in Europe and the OECD.

DIGITAL INFRASTRUCTURE AND ADVANTAGES

A highly digitalized public sector helps create a seamless business environment in Latvia. Most administrative procedures, from company registration to tax and regulatory filings, can be completed online through secure and user-friendly digital platforms. Widely adopted digital identity and e-signature solutions reduce bureaucracy, accelerate decision-making, and enable businesses to manage processes remotely. Supported by advanced digital infrastructure and a strong commitment to e-government, Latvia consistently ranks among the EU's leaders in digital public services for businesses and continues to invest in further improvements.

5G **Advanced** Broadband Coverage, including sea

97.5% Public **services for businesses are digital,** EU average - 86%

eID **98%** Companies sign documents digitally

Since February 19, entrepreneurs have access to the new version of the business support platform Business.gov.lv, which will become a single contact point for state-provided e-services for entrepreneurs and those who are planning to start a business.
The new version of Business.gov.lv is the first step in creating a unified contact point for entrepreneurs within a broader development process that will continue until 2030, gradually expanding the range of services and digital solutions.

MODERN, WELL-CONNECTED, AND FUTURE-READY LOGISTICS HUB

100+
Direct flights

3
Ice free deep water ports
Largest cargo capacity on EU's Eastern Baltic coast 18 t vs. 7.5 t EU average

#4
In EU in transport **services and export intensity**

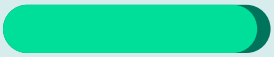
#3
in the EU for seaborne freight per capita

2 day
Delivery anywhere in Europe

Latvia provides excellent multimodal connectivity through its ports, airport, road, and rail network, ensuring efficient access to European markets. A strong transport and logistics sector, combined with integration into major European transport corridors, supports international trade and supply chains. Further development of the Rail Baltica high-speed railway strengthens Latvia's role as a strategic logistics hub in the Baltic Sea region.

HIGHLY SKILLED WORKFORCE AND ADAPTIVE EUCATION SYSTEM

95%
Multilingual #5 in Europe
68% in the EU on average



#1
in the EU in the share of women in science
50.9% of scientists and engineers



71.8%
had higher or vocational education in 2025

42.9% Tertiary education

28.9% Vocational education



25%
STEM sector students

52% doctoral graduates are in STEM



A skilled and well-qualified workforce is one of Latvia's key competitive advantages. More than seven out of ten employed people have either higher education or specialized vocational training, ensuring a strong supply of talent for knowledge-intensive industries and high-value-added activities. Employers benefit from a workforce that combines solid technical expertise, strong language skills, and the ability to adapt to rapidly changing technologies and business requirements. Close collaboration between industry and educational institutions further helps align talent development with labour market needs.

Higher education institutions in Latvia are highly collaborative and responsive to industry needs, working closely with businesses to ensure that study programs remain relevant and aligned with evolving market demands. They are ready to adapt curricula, develop new courses, and equip students with the skills required for emerging industries and technologies.

With the lowest hourly labor costs in the region, companies can optimize operational expenses without compromising on talent quality. Combined with a well-qualified workforce, strong technical skills, and a business-friendly environment, this enables investors to scale operations efficiently and remain competitive in international markets.

16.3€
average hourly salary rate
(34.9 €/h in the EU)

Defence sector overview

Latvia's defence industry is growing rapidly, supported by increased defence spending across Europe and rising demand for new technologies. The country has already established strengths in drones, counter-drone systems, autonomous solutions, secure communications, and critical infrastructure technologies, while defence is increasingly converging with sectors such as space, electronics, energy, and ICT.

The key challenge is not only creating successful defence technology companies, but building an ecosystem that can consistently finance, scale, and bring them to international markets. Latvia should focus on areas where it already has strong capabilities and the potential to develop globally competitive businesses.

Access to capital will be critical. Latvia's role in establishing the Defence, Security and Resilience Bank, including plans for a regional hub in Latvia, could help mobilise investment and expand industrial capacity.

Ultimately, success should be measured not only by defence spending, but by how much of that investment is converted into Latvian technologies, intellectual property, production capacity, and exports. By linking innovation, procurement, testing, capital, and international market access, the defence industry can become both a security asset and a driver of high-value economic growth.

Aija Okolokulaka, LIAA expert in Defence

SECTOR IN FOCUS

According to data from the Ministry of Defence, **in 2026 there are 123 companies in Latvia licensed to operate in the military goods sector**—by comparison, there were only five in 2012. Last year, 22 companies were issued new licenses. In total, there are at least 240 companies in Latvia dealing with military or dual-use products, with the most common categories being engineering services, ICT services, as well as drones and autonomous systems.

In a broader context, defence spending per capita in all three Baltic states has risen from 225 euros in 2016 to approximately 1,534 euros **in 2026, and the defence budgets of all three countries are approaching 5% of GDP this year**—about 5.4% in Estonia, about 5.4% in Lithuania, and about 4.9% in Latvia—while for the other NATO countries, this target has been set only for 2035. In the 27 member states of the European Union, total defence spending reached approximately 381 billion euros in 2025—63% more than five years ago. Latvia's profile is relatively more focused on direct defence applications than the Baltic average—**nearly half of Latvian companies sell primarily to the armed forces** rather than operating under a dual-use model.



With total planned investments of EUR 403 million **"Sēlija" military training ground and warehouse complex in Nīkrāce** is one of the largest current PPP projects in Latvia. The project includes the development of residential, administrative, and road infrastructure at the Sēlija Training Area, plus warehouse facilities in Nīkrāce, providing a modern training environment for the National Armed Forces and allied units.

SECTOR STATISTICS

4.91%
Defence budget of GDP in 2026

#10
Europe's one of the largest exporters of drones, EUR 49.3 M in drone exports, 2025

240+
companies in Latvia developing military and dual-use products

DEFENCE SECTOR MILESTONES

1

On June 30, the Cabinet of Ministers approved a draft law establishing the **Defense, Security, and Resilience Bank's regional office in Latvia, with operations set to begin in 2027.** The bank will support joint defense financing, lower borrowing costs, strengthen defense industries and supply chains, attract private investment, and promote more efficient and sustainable defense funding.

Latvia is the **founder and co-leader of the 20-country Drone Coalition**, a rare example of a country not only participating in but also leading a European initiative of this scale.

2

3

The annual **Riga Drone Summit** brings together coalition ministers and industry leaders, reinforcing Latvia's position as a key player in shaping European drone policy. The summit serves as a platform for coordinating support initiatives, discussing emerging technologies, strengthening international partnerships, and advancing the development of Europe's drone and defense innovation ecosystem.

In January, the **Latvian–Ukrainian Security and Defense Industry Cooperation Forum** in Riga resulted in several cooperation agreements between Latvian and Ukrainian defense organizations. This collaboration advanced further in June when **Latvia and Ukraine signed a state-level defense agreement** focused on drones, covering knowledge transfer, joint R&D, and potential co-production.

4

5

LMT is leading the VANTAGE project to develop next-generation long-range tactical drones for European defence. The €10.9 million initiative brings together partners from seven countries to create a modular drone platform for surveillance, reconnaissance, and strike missions.

Latvia's participation in the European Space Agency's (ESA) **dual-use programmes ERS and ALPSTAR** is a good example of how space technologies are becoming part of national security and resilience infrastructure, providing secure communications, navigation, and Earth observation capabilities.

6

7

LMT Group has launched a 12-month project with the European Space Agency to **develop a dual-mode IoT module** that can automatically switch between terrestrial mobile networks and satellite networks, enabling continuous connectivity even in remote areas without cellular coverage.

INVESTMENT HIGHLIGHTS



US-based **Native Trading plans to invest €70–90 million in a full-cycle artillery rocket manufacturing facility** in Latvia, covering propellant production, warhead filling, final assembly, and testing. The project is expected to create around 150 highly skilled jobs, strengthen Latvia's defence industrial capacity, and support both domestic needs and international markets.



The Estonian company **Wolfram Europa plans to invest up to €200 million in a new production facility** in the Jēkabpils region that will manufacture **drone warheads, anti-tank mines, and other explosive products**. The 40-hectare facility will provide full-cycle production capabilities in Latvia and is expected to create around 200 highly skilled jobs. Construction is set to begin in 2026, with production expected to start in the second half of 2027.



NestAI is establishing an R&D centre in Latvia to develop defence AI solutions and strengthen NATO's Eastern Flank capabilities. The company plans to invest €10 million and create 30 high-skilled jobs, expanding its presence across the Nordic and Baltic regions. The centre will focus on adaptive AI for unmanned and command systems, leveraging Latvia's strong NATO-linked defence innovation and testing ecosystem.

INNOVATION LEADERS



One of the most notable defense innovations of 2026 is **BLAZE,** an autonomous interceptor drone developed by **Origin Robotics** that provides a cost-effective solution against mass drone attacks. In February, Latvia, Estonia, and Belgium became the first European countries to deploy the capability, doing so within months rather than years.



NEWT21's FOG and RAY unmanned surface vessels have advanced from prototype stage to TRL8 readiness for mass production with EU and ERDF support. The company is now developing a coordinated drone fleet concept in partnership with Germany's Uniqu Things, with potential integration of underwater drone technology from Latvia's SUBmerge Baltic.



Frankenburg Technologies' Mark I and II anti-drone missiles, manufactured in Riga, offer a low-cost, mass-producible solution to reduce drone interception costs tenfold. Originating from a hackathon and further developed by researchers at RTU, the project highlights Latvia's ability to transform academic innovation into internationally competitive defense technologies.

INDUSTRY LEADERS

ORIGIN NEWT21 eraser lmt SAF

REDWIRE Frankenburg Technologies AMMUNITY VALSTS AIZSARDZĪBAS KORPORĀCIJA DEEPSPACE ENERGY

INDUSTRY INSIGHT

Geopolitical crises and the war in Ukraine have spurred the revival and growth of Latvia's military and dual-use industries. This is particularly evident in Latvia's drone and robotics sector, where our companies have become competitive manufacturers of niche products, competing in the international market against long-established and often state-supported industry giants.
Latvia's defense industry has the potential to drive the country's economic growth, exports, and innovation, but this requires strengthening the most essential prerequisites – close and successful cooperation between government agencies, industry, and research centres.

Artis Pabriks, Chairman of the Board at MilTech

ICT sector overview

The ICT sector is one of Latvia's strongest RIS3 areas, enabling innovation across other specialisations while advancing in its own right. AI-driven solutions and FinTech are key growth areas, supported by data centres, cloud services and computing infrastructure.
Further growth depends on Latvia's ability to turn new technologies into secure and exportable solutions. As threats evolve and digital technologies become embedded in critical services and business operations, cybersecurity and resilience must be built in from the outset. Cybersecurity is both an ICT specialisation with export potential and a horizontal requirement across all RIS3 areas. Stronger client-side competence and accountability are needed to assess solutions not only by price and functionality but also by security, data governance, interoperability and long-term maintainability.
Latvia has proven strengths in exportable digital solutions; the next step is to establish a consistent path from research and prototypes to customers, recurring sales and export markets. This requires closer cooperation between researchers, companies and the public sector, as well as access to growth capital. The goal is to retain knowledge, intellectual property, skilled jobs and economic value in Latvia while enabling companies to scale internationally.
At the same time, growing European demand for sovereign AI computing creates an opportunity to attract large-scale investment in AI-ready data centres linked to Latvia's technology, research and service ecosystem.

Vineta Rudzīte, LIAA expert in ICT

INVESTMENT FOCUS



Latvia is advancing an **industry-led initiative to compete for one of Europe's first AI Gigafactories.** Developed with Verda (formerly DataCrunch) and supported by more than 30 Latvian organisations, the proposed sovereign AI computing platform would deploy over 100,000 AI accelerators, use up to 100% renewable energy and could create up to 300 high-skilled operational jobs. The formal EuroHPC competition opened in July 2026, with successful projects expected to be selected in early 2027

REGULATION MILESTONES

1

Latvia's **AI regulatory sandbox** became operational in 2026: its operating rules entered into force on 16 January, and the Artificial Intelligence Centre launched the first project call in February. The sandbox enables AI systems to be tested in a controlled environment with regulatory and expert guidance and, where applicable, secure use of state-held data and real-world testing.

The **€7.73 million AI Factory Antenna–Latvia (AIFA-LAT) project** started on 1 July 2026 and will run until 30 June 2029. Coordinated by Riga Technical University, it will link Latvia to Finland's LUMI AI Factory and is intended to provide access to European-level AI supercomputing capacity, algorithmic support and skills development.

2

SECTOR STATISTICS

42%
of the sector's turnover is generated by exports, 2024

45 000+
people employed in the ICT sector

1 524
EUR, average salary, 2024

10 028
Enrolled Students in sector relevant education, 2025

3

As of 9 July 2026, **ten companies held licences issued by Latvijas Banka under MiCA.** An authorisation obtained in Latvia enables a crypto-asset service provider to operate across the EU through the cross-border notification mechanism. Backpack chose Latvia as its European hub, while AlphaRoute selected Latvia after assessing several other EU jurisdictions.

4

In 2026, Latvia and Lithuania began implementing **Lat-LitQN, a CEF Digital-supported cross-border quantum communication project** coordinated by Tet. Running from 1 January 2026 to 31 December 2028, the project aims to develop and pilot an approximately 300 km quantum-secure link connecting Riga, Panevėžys and Vilnius, while preparing its future integration with Poland and the wider EuroQCI network.

INVESTMENT HIGHLIGHTS

The most relevant investment highlights in ICT combine foreign investment projects, digital infrastructure development, fintech market entry and AI/digitalisation initiatives. Between 2024 and mid-2026, EUR 26.2 million in investment was attracted in the ICT RIS3 area through 22 investment projects. In 2025, 11 projects worth EUR 21.3 million were implemented; key examples include Epson, Digitalist Open Tech Latvia, FiveBrane, 3pic.ai and Qualia Therapeutics.



Epson, the global technology company, has **opened a new European Business Services (EBS) Centre in Riga**, investing €6 million and creating 150 new jobs. The centre will serve as a critical operational hub for Epson's European business, hosting non-customer-facing functions that support the company's activities across the region.



In 2026, **Delska**, one of the leading data centre operators in the Baltics, investing 30 million, officially **launched the EU North Riga LV DC1 data centre**. The 10 MW data centre is built for AI and high-performance computing (HPC) workloads, with a modular design enabling expansion to 30 MW. It supports up to 250 kW per rack, meets Tier III Design standards, and is pursuing Tier III Facility certification, ensuring 99.982% uptime.



On September 9, 2026, **Tet officially opened its new DC7 data centre** in Salaspils, one of the most significant digital infrastructure projects in Latvia. The facility holds Tier III Design and Facility certification from Uptime Institute, meeting top international standards for reliability and security. Tet is the only operator in Latvia with two Tier III-certified data centres: Dattum and DC7.

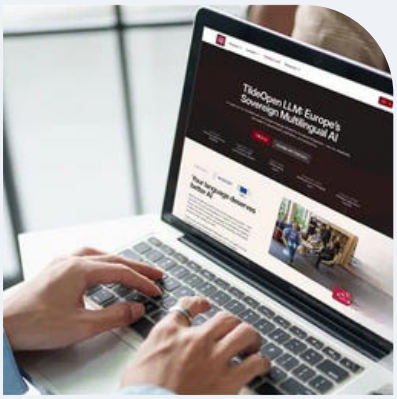


Scheduled to commence operations in 2027, a new geographically diversified high-security data centre **"Pozitrons"** for critical data storage and backup infrastructure is being developed by the **Latvian State Radio and Television Centre** (LVRTC). It is designed to become the most physically secure data centre in the Baltics and a cornerstone of Latvia's critical digital infrastructure.



Fibonatix, an Israeli-founded fintech company, **has secured a payment institution licence from Latvijas Banka, enabling it to provide merchant payment acceptance services.** The company plans to invest up to €1 million in Latvia and establish an initial team of five employees in Riga, reinforcing Latvia's growing position as a fintech hub due to country's growing fintech ecosystem, open regulatory environment, and strong professional support infrastructure.

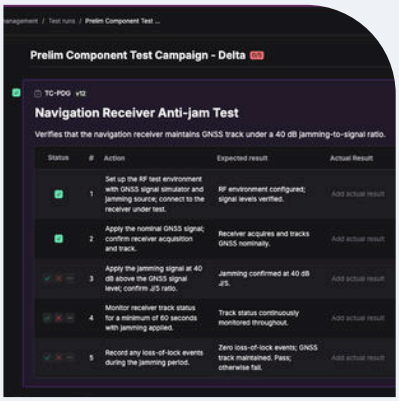
INNOVATION LEADERS



Latvia-developed **TildeOpen** large language model for European languages, in 2026 integrated into a secure AI machine translation platform for 34 European languages. A strong example of language technology, digital sovereignty and practical AI use in the public and private sectors.



Handwave, a Riga based payment and digital identity solution provider, has developed an innovative, safe, and AI-backed authentication methodusing palm-vein patterns and presence verification. The solution targets a retail alternative to cards, apps and facial recognition.



Trace.Space is an AI-powered SaaS platform that helps engineering teams develop complex products, such as electric vehicles, satellites, robotics, automate requirements, traceability, and compliance management. In 2025, the company raised USD 4 million in seed funding to scale its solution.

INDUSTRY LEADERS

MIKROTIK tet lmt Delska SAF accenture mintos ZABBIX mapon TILDE

INDUSTRY INSIGHT

Demand for AI-ready and sovereign EU infrastructure is already outpacing available capacity, driven by AI and HPC workloads that require higher power densities and advanced cooling. Delska's new 10 MW data centre in Riga is experiencing strong demand, with approximately 70% of customers based outside the Baltics. The facility supports up to 250 kW per rack, and a customer-specific liquid cooling solution is already being implemented.
At the same time, Latvia's public sector is starting to define its priorities and requirements for AI and data centres, which is expected to further increase demand for secure computing and data centre capacity. With investment capacity, land, and power secured, we are already designing expansion projects in Riga and Vilnius. Based on a scalable and flexible concept, these projects can be efficiently adapted to different locations and customer requirements.

Andris Gailītis, CEO of Delska

Energy sector overview

Latvia's smart energy and mobility sector has been undergoing rapid transformation in recent years, transitioning from traditional energy systems towards a digitalised, decentralised and low-emission energy model. The key development areas include growth in renewable energy generation capacity, electricity storage solutions, and rising interest in green energy consumer projects - such as data centres, sustainable aviation fuel, hydrogen technologies and biomethane production - as well as energy digitalisation, the use of artificial intelligence in energy systems, electrification of mobility and smart city development.
To fully unlock the sector's potential, continued focus is needed on talent development, research capacity and the availability of skilled STEM professionals. Further progress in areas such as commercialization support, innovation-friendly regulation, infrastructure development and efficient permitting processes would help accelerate investment and growth. Ongoing collaboration between government institutions, developers and municipalities will also be important to ensure balanced and sustainable regional development.

Ņikita Puškins, LIAA Energy sector expert

INVESTMENT FOCUS

Growth in the coming years will be driven by large-scale investments in data centre development (including AI DC), wind & solar parks, BESS energy storage solutions (including hybrid parks), biomethane production, as well as other large green energy consumers such as sustainable aviation fuel and hydrogen.



Latvia is actively participating in **the Nordic-Baltic Hydrogen Corridor** initiative, which aims to establish regional hydrogen infrastructure connecting the energy markets of the Nordic and Baltic states and laying the groundwork for cross-border hydrogen trade.



In 2026, **ELWIND** reached a major milestone conducting the Pre-FEED study to define potential wind farm layouts, foundation solutions, and grid connection concepts and EIA. The development auctions for the 2,000 MW offshore wind project are expected in the coming years.

SECTOR STATISTICS

28%
of the sector's turnover is generated by exports, 2024

#4
in the EU in share of energy from renewable sources and consumption, 2025

1 333
EUR, average salary, 2024

4 430
Enrolled Students in sector relevant education, 2025

ENERGY TRANSITION MILESTONES

1

In 2025-2026 **Latvia is emerging as an attractive destination for data centres** due to its competitive renewable electricity prices, reliable power infrastructure, grid availability, strategic location in Northern Europe, and growing availability of low-carbon energy, making it well positioned for AI & hyperscale data centre, and even gigafactory investments.

In February 2025, **Latvia successfully synchronized its electricity system with the Continental European grid**, strengthening energy security, grid stability, and integration into the European electricity market.

2

3

In October 2025, the **Latvian government lifted its long-standing ban on CO2 or natural gas storage underground structures**, opening the door for development of these structures.

In 2025-2026 **Latvenergo is actively implementing BESS in Latvia, with two systems already commissioned** and a broader portfolio under development to strengthen grid flexibility, energy security and integration of renewable generation.

4

INDUSTRY LEADERS

EUROPEAN ENERGY · UTILITAS · sunly · Latvenergo · AST · NACO · AERONES · electrify · AJ POWER · ST · ignitis renewables

INVESTMENT HIGHLIGHTS

In 2025, 4 projects were implemented, attracting investments totalling €428 million. Examples include Stena Line's investment in Liepāja, the TEMPERATIOR biodiesel production plant project from the Czech Republic, Citech, and the expansion of SIA Ignitis Renewables.
In 2026, four projects have already been implemented, generating an additional €430 million in investments.



Slovenian energy company **NGEN Group** has acquired 100% of SIA Liepāja ESS and **will develop a 100 MW / 200 MWh battery energy storage facility in Grobiņa**, making it the first standalone grid-connected battery storage project of its kind in Latvia. The project will also be the first energy storage station in the Baltics to use Tesla's Megapack technology and will connect directly to the transmission system operated by Augstsprieguma tīkls.



Vindr has inaugurated its **first hybrid energy park** in Līvāni Municipality, combining 4.25 MWp of solar generation (more than 6,000 solar panels) with a 3.7 MW / 7.5 MWh battery energy storage system (BESS) to improve grid stability, energy security and the integration of clean energy. It also marks an important step in the development of hybrid renewable energy infrastructure in Latvia and the Baltics.



Finland-based renewable energy fund manager **Taaleri Energia is moving forward with the construction of the "Augstkalni" wind farm** in Smiltene Municipality, marking one of the most significant renewable energy investments currently under development in Latvia. The €150-180 million Augstkalni wind farm will deliver 112 MW of new wind generation capacity, supply clean electricity to more than 80,000 households, reduce emissions, and strengthen Latvia's energy security



In 2026, investing around 200 million euros, **Utilitas Wind has started construction of the 117 MW wind farm and 60 MW battery storage** near Lode, Valmiera municipality. Lode hybrid park will consist of 18 modern Vestas wind turbines, each with a capacity of 6.5 MW, for a total installed capacity of 117 MW and a battery energy storage system (BESS) of 60 MW power and 240 MWh capacity. The expected annual energy production of the 18 turbines of Lode wind farm is 330 GWh.

INNOVATION LEADERS



Aerones is a leader in robotic and AI-powered wind turbine inspection, maintenance, and repair. Its flagship innovation, the IIN Gen3 Crawler, is the world's only robotic system capable of conducting detailed inspections inside wind turbine blades, enabling safer, faster, and more accurate assessment of blade integrity. Recognized for its innovation and impact on renewable energy, Aerones was ranked #9 on TIME and Statista's World's Top GreenTech Companies 2026 list.



Naco Technologies leverages nanotechnology to create high-performance coatings for hydrogen electrolysers and fuel cells, lowering reliance on costly precious metals and supporting the transition to clean energy. The company was included in the "Hello Tomorrow Top 100 Deep Tech Startups to Watch 2026" list for its innovative coating technologies



Electrify develops digital electricity management and flexibility solutions for businesses and energy market participants, alongside electric bus manufacturing, charging infrastructure deployment, and hydrogen-powered vessel design. In mid-2026, the company unveiled its latest innovation, Electrify UGV, an all-electric 6×6 unmanned ground vehicle (UGV) designed for demanding off-road and logistics applications.

INDUSTRY INSIGHT

Energy today is the basis for the growth of the entire economy – if a country has sufficient, locally produced electricity and long-term predictability, it becomes a strong magnet for new investments.

Baiba Lāce, Head of "Ignitis Renewables" in Latvia

Bioeconomy sector overview

The bioeconomy is a national priority and a key growth sector in Latvia, with strong potential in biorefinery technologies, synthetic biology, precision agriculture, bioplastics, bio-composites and algal biotechnology. The ecosystem is supported by international industry events, research initiatives and targeted policy measures. Developing and attracting highly qualified talent remains essential, with programs such as the University of Latvia and RTU's joint Biotechnology and Bioengineering degree helping build the next generation of specialists.

Zane Auziņa, LIAA expert in Bioeconomy

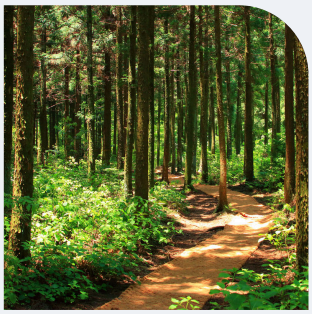
INVESTMENT HIGHLIGHTS



Pars Terminal HVO/SAF production facility in the Port of Riga territory on Kundziņsala **will begin construction of the first renewable fuel product production facility in the Baltics.** The company Amber Flow Fuels, investing 120 million euros and providing 120 highly qualified jobs, will begin producing innovative, high-value-added products in the coming years, which will contribute to achieving Latvia's climate neutrality and green deal goals. The project has already entered the construction phase and is expected to commence production in 2027, strengthening Latvia's energy independence and export capacity.



Rettenmeier Baltic Timber has completed a 160-million-euro modernization project. The fully modernized Rettenmeier Baltic Timber production plant has started operations in Inčukalns in 2025. With significant investment in development between 2019 and 2025, the company has strengthened its position as one of the most modern and powerful woodworking centres not only in the Baltics, but also in Europe. This is one of the largest industrial development projects in the industry in recent years, significantly strengthening Latvia's competitiveness in the European woodworking sector.



Ingka Investments agreed with Sweden's largest forest owner association, Södra, **to purchase 135,232 hectares of forest land in Latvia**. The company has planted more than 2.5 million tree seedlings during the year, ensuring a net increase in forest area of more than 250,000 cubic meters. In addition, 21% of the company's forests in Latvia are managed with a special focus on the environment, and commercial activities are completely excluded from an area of almost 3,000 hectares, giving priority to strengthening biodiversity. The company has also dedicated 16,000 hectares of Latvian forestland to pilot and research projects focused on closer-to-nature forest management.

SECTOR STATISTICS

36%
of the sector's turnover is generated by exports, 2024

#8
Highest share in the EU of organic farming land - 16% of all land, 2025

1 124
EUR, average salary, 2024

3 149
Enrolled Students in sector relevant education, 2025



Blue Circle is planning to invest more than €30 million **to expand its Arctic char aquaculture operations in Latvia**, increasing annual production capacity from 120 tonnes to around 3,000 tonnes and adding full-cycle fish processing capabilities. The project will strengthen Latvia's sustainable, technology-driven aquaculture sector, boost export potential, and increase the share of higher value-added food production within the industry.



The Austrian based HS Timber Group, through its holding company Nextwood Two GmbH, **has acquired one of the largest Latvian sawmills, SIA Kurekss**, in the Ventspils region. This investment envisages the integration of Kurekss into the international woodworking group, which already owns SIA Vika Wood in Latvia, thus strengthening HS Timber's position in the Baltic wood industry sector and creating potential for further investments in production efficiency, export development and wood processing capacities.

RESEARCH AND DEVELOPMENT

1

Latvian University of Biosciences and Technology (LBTU) has established a **Sustainable Circular Bioeconomy Platform (HUB)** to promote innovation development and cooperation in the bioeconomy at an international level. According to **BIOEAST project** HUBs will be engaged in the development of national bioeconomy action plans.

AGRI-BIOCIRCULAR-HUB is a Horizon Europe initiative that aims to establish a network of excellence hubs in smart agriculture and circular bioeconomy across Poland, Latvia, Ukraine, Belgium, and Spain.

2

3

MARTE Marine Technology Excellence Hub for Sustainable Blue Economy is a Horizon Europe project that connects Estonia and Latvia to strengthen marine research, innovation, and sustainable technology development across the Baltic.

For the period of 2026-2028, Riga Technical University (RTU) together with **Biocatalyst Foundation** will serve as EIT Food Country Representatives in Latvia, acting as a key link between the national agrifood innovation ecosystem and the wider.

4

5

Latvia has allocated **6 million euros to a research and innovation programme for 2026-2028** to strengthen the competitiveness and sustainability of the agriculture and forestry sectors. The initiative will support innovative technologies, knowledge transfer, and collaboration between researchers and industry to accelerate innovation across Latvia's bioeconomy.

LBTU's **PeatTransform project** is developing science-based solutions to **transform Latvia's peat sector into a climate-neutral industry by 2050**. The initiative will establish a research platform and centre of excellence to strengthen innovation, knowledge transfer, and international cooperation in the bioeconomy.

6

INDUSTRY LEADERS

asns INGREDIENT · fibenol · fermentful · alojas · BIOREFIC Biorefinery for the Future

Latvijas Finieris · p-agro minerals · biolat · ALTERNATIVE PLANTS · SPIRULINA NORD

INNOVATION LEADERS



ASNS Ingrediant Is set to become a major plant-based smart-nutrition ingredients producer in Latvia, specialising in the extraction and refinement of yellow pea fractions. Company will produce Protein Isolate, Fiber (Extruded hulls, Soluble fiber), Native Starch, Starch Concentrate, Yeast, Feed Protein from peas and fava beans.



Fibenol develops advanced biomaterials - sugars, high purity hydrolysis lignin, and unique microcrystalline cellulose from hardwood and converts over 90% of biomass into high-value products using innovative, low-impact technology.



P-Agro Minerals is developing a mineral-based filter that captures phosphorus from wastewater, helping reduce pollution while enabling phosphorus recovery for reuse. In summer 2026, the company was set to begin testing its newly developed filtration prototype at the Ādaži wastewater treatment plant, marking the next step in scaling its phosphorus-recovery technology.

INDUSTRY INSIGHT

2026 has been a transition year for P-Agro Minerals, moving from technology validation to industrial demonstration. We developed a Letonite filter pilot for phosphorus recovery from wastewater and completed a joint project with the Austrian Institute of Technology on phosphorus-based soil conditioners. We see strong growth potential in the bioeconomy by combining water treatment with the recovery and reuse of critical raw materials in agriculture. LIAA support instruments, including incubator support and an innovation voucher project, have played an important role in accelerating our technology towards the market.

Solvita Kostjukova, Co-Founder, P-Agro Minerals Ltd

2026 has been a very rapid development and change for Company Aloja-Starkelsen, driven by growing demand for clean label, plant-based and sustainably sourced foods. Looking to 2027, we see significant growth potential in expanding international cooperation, developing innovative functional ingredients, as well as attracting strategic investment partners for side-stream valorization projects, which will allow the creation of new bio-based ingredients and contribute to the development of a sustainable food industry.

Jānis Garančs, Senior Sales Director, Aloja-Starkelsen Ltd

For the Latvian forest sector, 2026 is a time of cautious stabilization and adaptation due to the availability of raw materials, price fluctuations, energy costs, demand dynamics in export markets, as well as logistics and cooperation risks created by the geopolitical situation. At the same time, the industry is increasingly focused on higher value-added products through investments in technology, efficiency, automation and innovation.
Looking ahead to 2027, the strongest growth potential lies in segments that combine Latvia's resource base, production expertise and export strengths to create higher value-added products. Investments in technology, efficiency and product development are expected to continue.

Māris Būmanis, Member of the Board, AS "Latvijas Finieris"

Biomedicine sector overview

The Latvian biomedicine, medical technology and pharmaceutical sectors are shifting from traditional manufacturing toward an ecosystem of data, precision medicine, biopharmaceuticals, and high-value-added medtech solutions. Competitiveness in the coming years will mainly be determined by three factors: standardized health data and the implementation of EHDS/SNOMED CT, capacity for clinical and translational research, and the ability to commercialize niche technologies.
The investment case is particularly strong in areas where Latvia already has a scientific foundation and manufacturing experience: organic synthesis, active pharmaceutical ingredients (APIs) and dosage forms, biomarkers, organ-on-chip, biomaterials, digital health, and patient data solutions.
When looking at sector activity in 2026, multiple initiatives have either been raised by the industry and directed at the government or directly started by the government - aimed at developing the sector both in terms of planning and financial support. It shows legitimate interest in long-term growth, which is the only kind of growth a complex sector like biomedicine can expect, and as such - is often a big hurdle. Hopefully that will create good opportunities for attracting investment to execute these initiatives.

Eduards Ritums, LIAA expert in Biomedicine

INVESTMENT HIGHLIGHTS



In 2026, **Olpha has established Olpha Labs** to strengthen R&D, expand drug development service exports, and build international partnerships. The company has invested €4.4 million in new production equipment and plans to invest €100 million over the next five years in new generic medicines, production expansion, and green technologies.



Grant Instruments, a global laboratory equipment manufacturer, recently **acquired a controlling stake in Biosan SIA,** a Latvian company delivering high-quality instruments for sample preparation, molecular biology, diagnostics and laboratory workflows. This reflects their long-standing and successful UK-Latvia partnership built on advanced life-science manufacturing and innovation.

SECTOR STATISTICS

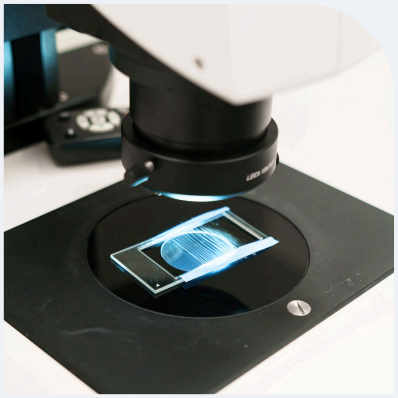
70%
of the sector's turnover is generated by exports, 2024

500+
companies across the biomedicine ecosystem

1 405
EUR, average salary, 2024

1 197
Enrolled Students in sector relevant education, 2025

INNOVATION LEADERS



PrintyMed is developing **biomimetic spider silk for 3D bioprinting and medical devices**, with potential applications in wound care, tissue regeneration, organ-on-a-chip membranes, and artificial organs. In 2026, the company received half a million from the European Innovation Council's "EIC Pre-Accelerator" program to optimize and validate the functionality of the spider silk membrane, as well as to integrate it into a specific organ-on-a-chip model.



Cellbox Labs, a biotech company that is **pioneering automated organ-on-chip technology** to make drug discovery and disease research more predictive, scalable, and human-relevant, has in recent years raised €4.2 million in combined grant and pre-seed funding, and in 2026 are accelerating the development of personalized disease models, integrated biosensors, and digital twin technologies, reinforcing their position as an innovator in next-generation precision medicine.



Longenesis provides digital solutions for patient engagement, clinical research, and real-world data collection, connecting patients, healthcare providers, and life sciences organizations. The company started the year with a recent launch of a new online menopause guide to support women experiencing menopausal symptoms and to generate new evidence on menopause and quality of life. The tool "Your Menopause Guide" is being piloted in Latvia with plans to expand across the Baltic states and Eastern Europe.

INFRASTRUCTURE AND R&D

1

The National Research and Innovation Institute (NIRI), established in 2026, brings together the Latvian Institute of Organic Synthesis (OSI) and the Latvian Biomedical Research and Study Centre (BMC) to advance research in medicines, diagnostics, personalized medicine, biotechnology, and public health.

In May 2026, Latvia adopted a **new Biobank Law**, establishing a clear legal framework for the use of human biological samples in research. The law strengthens NIRI's research capabilities and international cooperation, while enabling more personalized medicine, improving consent and data protection standards, facilitating participation in European biobank networks and collaborative research projects.

2

3

Supported by Horizon Europe funding, Latvian scientists and international partners are developing a **unique platform that links environmental monitoring data with human health information**. The project will analyze wastewater and other environmental samples for pollutants, pharmaceutical residues, and pathogens, while a digital twin will integrate the data in real time to provide early warnings of infection, antibiotic resistance, and pollution risks.

4

VeritaCell, a startup accelerating and enhancing post-surgical skin renewal, had a study published in MDPI's Biomedicines, validating that VeritaCell-derived cell populations significantly improve tissue-level repair. Wounds treated with the suspension showed accelerated closure by Day 6, reduced scarring, and regenerated a tissue architecture that closely resembles healthy, unwounded skin.

In 2026, the GISTAR study, **one of the largest and longest-running research projects in Latvia's medical history, was completed** after 13 years and the participation of more than 11,000 people. Its findings will support the development of evidence-based gastric cancer screening guidelines in the EU and help design effective prevention programmes, particularly in high-risk countries such as Latvia.

5

6

The Latvian Cancer Centre at Riga East Clinical University Hospital has become the first cancer centre in Latvia to receive international accreditation from the Organisation of European Cancer Institutes (OECI). The accreditation confirms that the centre meets European quality standards in cancer diagnosis, treatment, research, and patient care, while helping strengthen oncology services across Latvia.

INDUSTRY LEADERS

Grindex Olpha LONGENESIS PrintyMed EXONICUS

Roche PharmIdea Professional & Innovative biosan Cellbox Labs SEPSISCAN

INDUSTRY INSIGHT

Latvian pharmaceutical companies continue to actively register products in European and other regional markets. The export portfolio is expanding to include both traditional off-patent drugs and complex generic preparations, including various soft dosage forms such as gels, ointments, and creams. At the same time, the European Union market is seeing a shift from national registration procedures to decentralized procedures, which Latvian companies are increasingly using to register products in multiple EU member states simultaneously. This approach significantly accelerates the entry of products into the European market, expands export opportunities, and strengthens the international competitiveness of Latvia's pharmaceutical sector.

The sector is seeing increasing collaboration both among companies and between companies and scientific organizations. New cooperation networks and partnerships are emerging, which facilitate knowledge transfer, the development of new technologies, and the creation of innovative solutions. Cooperation among companies allows for the more effective development of joint projects, the identification of new areas of development, and the strengthening of the sector's international competitiveness.

Diāna Ratkeviča, Head Of Research And Development at JSC Grindeks

BioCatalyst sees the greatest potential for growth in technology transfer and the commercialization of academic research, particularly in the context of BioPhoT. We are continuing the work we have already started and plan to further develop the venture studio concept. We are placing special emphasis on the commercialization of academic research results and the establishment of an effective technology transfer process. We view our collaboration with LIAA as part of building a broader innovation ecosystem. We would be pleased to contribute not only to the planning of future projects but also to the development of existing initiatives, such as BioPhoT.

Igors Berkovičs, Member of the Board at Biocatalyst

Manufacturing & Engineering sector overview

Photonics and smart materials are areas where Latvia's size is not a limitation. Building on strong capabilities in optics, optical fibers, advanced materials, sensors, and high-precision engineering, Latvian companies are already contributing on a global scale. The strength of Latvia's photonics industry lies not only in its high level of technological expertise, but also in the products themselves—they are internationally competitive and in demand even in geographically distant markets. Photonics is one of the few high-tech sectors in Latvia that is able to successfully export and compete at the European level not only in terms of product quality and technological complexity, but also with competitive prices.

The space sector is a prime example of how these competencies can be transformed into internationally competitive products. Latvian companies are already contributing to the European space industry, with firms such as Allatherm and Baltic Scientific Instruments developing technologies for major space missions and applications.

The newly established Latvian Microchip Competence Centre further strengthens the link between research and industry, supporting innovation at the intersection of photonics, microelectronics, and materials science. Latvia has the opportunity to develop very specific high-value-added niches – ranging from sensors and detectors to space, communications, and other complex engineering systems.

This is precisely where I see a significant benefit from Latvia's participation in European Space Agency programms. In Latvia's case, space is not just a separate industry – it serves as a platform for technological development and internationalization, enabling our companies and research organizations to navigate the technology development cycle, validate solutions according to international standards, and, most importantly, enter the supply chains of major European technology companies.

Aija Okolokulaka, LIAA expert in Manufacturing and Engineering

INVESTMENT HIGHLIGHTS



The Czech public transportation vehicle manufacturer **"Škoda Group" has acquired a 36% stake in the Latvian company SIA "L-Ekspresis,"** with the option to acquire the remaining 64% by the end of 2028. The investment is part of the Škoda Group's strategy to expand its service offerings in the Baltics and establish a railway maintenance and service center in Riga for the entire Baltic region.

SECTOR STATISTICS

62%
of the sector's turnover is generated by exports, 2024

#3
In Europe for optical-fibre export share relative to GDP, 2025

1 357
EUR, average salary, 2024

1 817
Enrolled Students in sector relevant education, 2025



Latvian high-tech company **Allatherm has signed a €2.9 million contract** with Thales Alenia Space **to design and manufacture advanced thermal management systems for the Lunar View module of the international Lunar Gateway project.** Allatherm will deliver six flight-qualified cooling system units, making this the largest participation of a Latvian company in a space mission to date and demonstrating Latvia's growing capabilities in the global space industry.



Deep Space Energy has secured €350,000 in pre-seed funding, bringing its total funding to €930,000. The company is **developing a radioisotope-based power system for satellites and future lunar missions.** The investment will accelerate technology development and support partnerships with international space industry players.

INDUSTRY LEADERS

PULSAR CeramOptec NEXIS allatherm all about thermal management

SIDRABE Plockmatic Group MIKROTIK groglass SAF

RESEARCH & DEVELOPMENT

1

Latvian Microelectronics Competence Centre and the **LMT** (Latvian Mobile Telephone) Group have commited to purposefully cooperate in research and development with a focus on the creation of low-energy consumption mobile IoT (Internet of Things) connectivity chips. Their joint effort aims to transform excellence in research into science-based innovations with practical impact.

Baltic and Nordic chip competence centres have formed a **regional partnership to strengthen cooperation in the semiconductor sector.** The initiative will support joint research, skills development, and innovation, while advancing the goals of the European Chips Act and boosting regional competitiveness.

2

3

In April 2026, Latvia became the 62nd country to **join the Artemis Accords**, reinforcing international cooperation in space exploration and opening new opportunities for Latvian industry, researchers, students, and innovators to participate in future space missions and activities under the Artemis framework.

Latvian AI company **Tilde is developing an ESA-funded AI assistant for the EO Baltic Platform (GeoHub)** in partnership with Baltic Satellite Service. The solution will enable users to access and analyze Earth observation data through natural-language queries in four languages, making satellite data more accessible and easier to use.

4

5

Latvian deep-tech company **AP4PIC is developing polymer-integrated photonic microchips** that use light instead of electrical signals to process and transmit information, enabling significantly more energy-efficient computing. This has the potential to reduce energy consumption in data centres and AI infrastructure while positioning Latvia in the rapidly growing field of integrated photonics.

INNOVATION LEADERS



Lightguide International develops, manufactures, and supplies optical fibers, fiber bundles, cables, and laser delivery systems for cutting-edge scientific, industrial, and medical applications worldwide. In 2026, the company launched its Industrial Configurator, a tool that provides a quick and easy way to submit technical requirements, simplifying and accelerating project implementation.



GroGlass is a leading Latvian manufacturer of high-performance anti-reflective, shatter-resistant glass, designed to protect priceless artworks while remaining visually unobtrusive. Its innovative solutions are used in prestigious museums and galleries worldwide. In September 2026, U.S. company Apogee Enterprises acquired Groglass for €62.5 million, with Groglass continuing as a key R&D and manufacturing hub in Riga.



Riviera SiC is currently in the preparatory stage for industrialization and scaling up production, with plans to establish a silicon carbide (SiC) crystal production facility in Latvia featuring approximately 122 crystal growth systems. With a projected production capacity of 3,500 200 mm SiC crystals annually, from which approximately 120,000 semiconductor wafers could be produced, Riviera SiC plans to cover approximately 10% of the projected European demand.

INDUSTRY INSIGHT

Latvia's space sector is a small but growing high-tech ecosystem. Approximately 100 companies and research institutes have already registered in the European Space Agency's (ESA) esa-star system. Currently, the sector is characterized by a strong focus on research and development and employs a uniquely qualified workforce, with 58% of employees holding a master's or doctoral degree. Latvian science and industry have already demonstrated their global competitiveness, as evidenced by their successful participation in ESA procurement processes, including the development of critical technologies for ambitious international missions such as the Lunar Gateway lunar orbital station, as well as the Hera and Comet Interceptor missions. Similarly, several companies are already operating in Latvia that manufacture and supply product solutions for the space sector and satellite construction needs, such as Axon Cable, Fiber Optical Solutions, and LightGuide Optics. In the field of satellite data processing, an even broader range of companies is represented, with the largest players including Baltic Satellite Service, Tilde, the Institute of Environmental Solutions, Latvijas Mobilais Telefons (LMT), and LVĢMC.

Dāvids Štēbelis, ESA Industrial Coordinator in Latvia

The industry is undergoing development that can be characterized in three areas. First, positions continue to strengthen in traditionally strong sectors—ranging from products based on high-quality optical fibers, high-fidelity audio recording, processing, and playback, to high-frequency data communications and solutions in the energy sector.
Second, there is an increasingly broad expansion of manufacturing in the defense sector.
Third, new companies are emerging specifically in the high-tech sector with the potential to create new and strong industries, such as Cellbox Labs, Spectromarine, and PrintyMed.

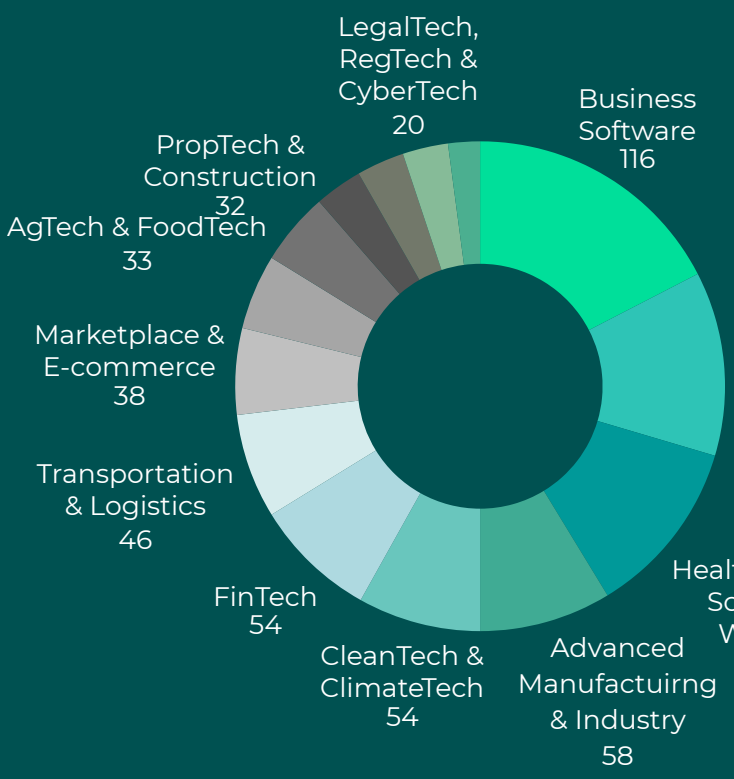
Andris Anspoks, Director at Institute of Solid State Physics, University of Latvia

Startup scene

The strength of Latvia's startup ecosystem lies in collaboration—when businesses, academia, and the government work together, a small country can create solutions with global impact. However, to move from individual success stories to a systemic technological breakthrough, clear political commitment and a significant increase in funding are also needed for the development of science-intensive companies, the creation of new products, and the introduction of innovations to the market.

Juris Mencis, Head of the Technology Division at LIAA

STARTUP ECOSYSTEM IN NUMBERS



10,129,625 EUR
Raised investment in the first half of 2026

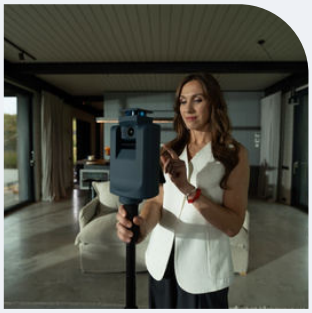
605 active startups listed as of the first half of 2026

25 new startups in 2026

#7 in the Global Deep Tech Pioneers ranking 2026 by Hello Tomorrow

163 startups in DeepTech

ECOSYSTEM HIGHLIGHTS



In March, 2026, Latvia-founded **Giraffe360**, an AI-powered real estate marketing technology company, has **secured 8.7 million euros** in Series B funding, led by Cipio Partners. The investment will help accelerate the company's growth, expand its AI capabilities, enhance its product offering, and support international expansion. The company serves customers in more than 40 countries.



In 2026, Israeli-American defence technology company **XTEND completed the integration of the Latvian robotics startup Atlas**, significantly expanding its European presence and autonomous robotics portfolio. This merger marks also XTEND's first step into intelligent software-defined robotic components that will be offered through its Marketplace ecosystem.

STARTUP VISA

One of the support mechanisms that LIAA provides is the Startup Visa. It enables non-EU/EEA entrepreneurs to relocate to Latvia and develop an innovative, high-growth startup. The program provides a temporary residence permit, allowing founders to establish and grow their business while gaining access to Latvia's startup ecosystem and the broader EU market.

46 active startup visas

7 new visas issued in first half of 2026

As a seasoned entrepreneur and a tech veteran, I was particularly impressed by how Latvia handles the overall Startup Programme. From the very beginning, I found the process to be well structured, transparent and, most importantly, genuinely supportive of entrepreneurs. The accessibility of the LIAA team, the clarity of the process, and the practical approach throughout the application made a very positive impression on me.
Having been involved in technology and entrepreneurship for many years, I have seen similar programmes and initiatives in different countries, and I believe Latvia has created an environment that makes international entrepreneurs feel welcome and encourages them to consider Latvia as a base for their European activities.

Meric Turan Ekmekci, EME Enterprises (Turkey)

2026 has been a strong period of product validation and early commercial traction. We've significantly advanced our core platform, secured our first two paid pilot engagements and successfully deployed the platform for AI literacy training among medical professionals.
The Latvian startup ecosystem is surprisingly advanced for its size, offering strong public support programs, accessible EU funding, and a highly collaborative founder culture. It gives us the strategic agility to scale efficiently while staying deeply connected to the broader European market.

Anna Shahinyan, CEO of FiveBrane (Armenia)

TOP 10 STARTUPS BY TURNOVER IN 2025

PRINTFUL · prime prometics · BRASA DEFENCE SYSTEMS · eazyBI · Matrixify · REDWIRE · Nutrameg · mapOn · citybee · Tachogram

INDUSTRY INSIGHT

In the past year, I have seen improvements in the Latvian startup scene - there is more collaboration going on than ever! Mentors and advisors have become more visible and are always there to help founding teams! Startups are more open to sharing experiences with each other.
There is definitely a feeling in the air that startup teams are growing in confidence that they will make it!
Key drivers of this change include the rapid growth of the startup community, led by Startup House Riga's expansion across two buildings in Spīķeri, and Outlast Fund's Shipyard incubator, now in its second edition, which is inspiring more people to take the leap and launch their startup journey.
We are enjoying being at the heart of the startup community in Riga!
Our Voice AI agents are speaking to people over the phone every single day and bringing value to our customers! This year we will continue our growth in the financial sector! Our goal is to have our agents speak in 10+ languages until the end of this year.

Emīls Vāvere, CEO, co-founder of Conversshake

Film industry

The Latvian film industry is currently at a very significant stage of development. The success of our filmmakers at international festivals and markets confirms that Latvia has the talent, professional expertise, and ability to produce internationally competitive films. At the same time, we see ever-greater potential in attracting foreign film and TV series projects to Latvia.
Latvia has many advantages—diverse filming locations, a professional film industry, competitive production capabilities, and experience with international projects. However, today a good offer alone is no longer enough. We need to be much more visible on the global film map—we must showcase our talent, present Latvia as a place where high-quality, efficient international projects can be realized, and purposefully build new international partnerships.
Every international project produced in Latvia and every Latvian story that reaches a global audience strengthens our position. That is why the next step is not only to create good films, but also to ensure that more and more film professionals around the world know what Latvia has to offer.

Liene Gulbe, Head of Creative Industries at LIAA

SUCCESS STORY FROM THE NATIONAL CINEMA

An international biographical sports drama about **Latvian basketball legend Uļjana Semjonova "Ulya",** directed by the renowned Latvian filmmaker Viesturs Kairišs.



Ulya is an outstanding example of successful European collaboration, bringing together producers from Latvia, Estonia, Poland, and Lithuania. The film had its world premiere on May 21, 2026, at the Cannes Film Festival, where it was selected for one of the festival's most prestigious sections, "Un Certain Regard" ("A Special Look"), marking a significant milestone for Baltic cinema. Following its screening, **the film received a 7-minute standing ovation.** The film has been selected as Latvia's entry for the Academy Award nomination in the "Best International Feature Film" category.



Actor **Kārlis Arnolds Avots** received a prestigious award at the *Jerusalem International Film Festival*, which not only highlights the film's high cinematic quality but also the boldness of Latvian acting and directing. The daring casting choice of a male actor portraying a legendary woman so convincingly and sensitively that he earned international recognition at a major festival is a compelling element that helps the film stand out in today's crowded global media landscape.

LATVIA - A FILMMAKER'S CHOICE

There are **195** registered film producers and studios represented in the industry, as well as a wide range of co-production and production service options Latvian studios working on Cinema Smart City concept:

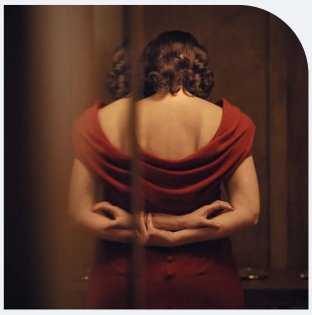
- 5G connectivity in production – from filming to processing
- Autonomous drone usage in shooting
- Digital twin and virtual actors

MoU signed on a new studio in Riga - a 15 min drive from Riga airport.



SUCCESS STORY FROM INTERNATIONAL CO-PRODUCTION

Woman Unknown (Kvinde ukendt / Nezināmā) — a 2026 historical drama that is a Nordic-Baltic co-production (Denmark, Sweden, Latvia). On the Latvian side, it was produced by Nafta Films. The film has received significant international financial support from Eurimages, as well as from the LIAA and the Riga Film Fund.



Woman Unknown won the prestigious **Golden Lion for Best Film at the 83rd Venice Film Festival** and has also been selected for the official programme of this year's **Toronto International Film Festival.** Latvia's strategic role as a co-producer in a project of this scale sends a strong signal to major studios that our producers have the financial strength, organizational capacity, and professional expertise required to participate in major European productions.

UPCOMING EVENTS

1

From 15 to 25 October, **Riga International Film Festival** (RIGA IFF), Latvia's largest film event, will take place for the 13th time. As a key platform for film industry networking and export promotion in the Baltic and Nordic regions, the festival attracts high-level international delegates, helping showcase Latvia's locations and production capabilities to industry decision-makers.

2

From 22 to 26 September, alongside the President of Latvia's official visit to the United States, a **film industry trade mission will take place in Los Angeles.** The mission will connect Latvian film professionals with U.S. studios, producers, and industry leaders, promoting Latvia's skilled workforce, diverse locations, competitive costs, and support programs while fostering new international partnerships and production opportunities.

NATIONAL FILM INCENTIVE

Support for shooting foreign films in Latvia is available for new international film and audiovisual projects, including TV series and new seasons. Eligible costs cover personnel, equipment, production services, logistics, accommodation, production and post-production expenses, as well as administrative costs.

$ 7 MILLION

Annual budget for shooting foreign films in Latvia

NEXT OPEN CALL PLANNED IN NOVEMBER, 2026

12 **Projects completed in 2025**

2 792 381 EUR
Total project funding

19 **Projects submitted for 2026**

6 538 884 EUR
Requested funding
of which 605 965 EUR has already been paid out

7 **projects have already been submitted for 2027**

3 503 723 EUR
Planned funding

DATA SOURCES

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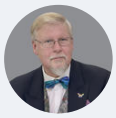
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