

IN·SEC·M

MARKET FACT SHEET

Latvia



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INTRODUCTION

Latvia represents a significant opportunity for cybersecurity companies looking to expand their global presence, driven by its rapidly developing digital infrastructure and increasing focus on cybersecurity measures. The country boasts a growing pool of skilled professionals in information technology and cybersecurity, providing valuable resources for firms aiming to establish a foothold in the Baltic region. The Latvian government is actively investing in the cybersecurity sector through various initiatives and funding programs, which can greatly support companies in their expansion endeavors.

Understanding the evolving regulatory framework governing the cybersecurity market in Latvia is essential for successful operations. Compliance with these regulations is critical for companies to navigate the market effectively and ensure sustainable growth.

MAIN DATA

GENERAL DATA¹

Area	- Latvia, officially the Republic of Latvia, is a country in the Baltic region of Northern Europe. It is one of the three Baltic states, along with Estonia to the north and Lithuania to the south. It borders Russia to the east and Belarus to the southeast and shares a maritime border with Sweden to the west. 64,594 square kilometers
Capital	Riga
Time Zone and Time Difference with Ottawa	- UTC+02:00 (EET) - UTC+03:00 (EEST) Summer (DST)
Languages	Latvian
Population	1.87 million (2024)
Religions	According to the Annual Report of Religious Organizations and their Activities published by the MOJ, based on 2021 data, the largest religious groups are Lutheran (37 percent), Roman Catholic (19 percent), and Latvian Orthodox Christian (13 percent), the latter being predominantly native Russian speakers. Twenty-nine percent of the population is unaffiliated with any religious group. ²
Major Holidays	- New Year's Day (January 1) - Independence Day; Anniversary of the Republic of Estonia (February 24) - Good Friday (April 18) - Easter Sunday (April 20) - Spring Day (May 1) - Pentecost (June 8) - Victory Day (June 23) - Midsummer Day (June 24) - Day of Restoration of Independence (August 20) - Christmas Eve (December 24) - Christmas Day (December 25) - Boxing Day (December 26)

1. [Latvia – EU country profile | European Union](#)

2. [Latvia - United States Department of State States Department of State](#)

Typical Working Hours	An employee's regular daily working time must not exceed eight hours, and the regular weekly working time must not exceed 40 hours. Daily working time, as understood in the Labor Law, is the working time within a 24-hour period (Section 131, Paragraph 1 of the Labor Law). ³
Entry Requirements	› Passport Validity: Your passport must be valid for at least 3 months beyond the date you expect to leave the Schengen area. › Visa Requirements for Canadians⁴: Latvia is in the Schengen area. Canadian citizens do not need a visa for travel to countries within the Schengen area. However, visa-free travel only applies to stays of up to 90 days in any 180-day period. Stays are cumulative and include visits to any Schengen area country.
Tax Treaties	The "Convention Between the Republic of Latvia and Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital" ⁵ is a bilateral agreement aimed at eliminating the double taxation of income and capital gains for residents of Latvia and Canada. This convention establishes clear guidelines on how income and capital are to be taxed by each country, ensuring that individuals and businesses are not taxed twice on the same income. Additionally, the agreement includes provisions to prevent fiscal evasion and promote transparency and cooperation between the tax authorities of both nations. By clarifying tax obligations and reducing the risk of double taxation, the convention facilitates cross-border trade and investment, fostering stronger economic ties between Latvia and Canada.
POLITICAL DATA	
Type of Political System	Latvia is a parliamentary republic. The president who is the head of state has a largely ceremonial role and nominates the prime minister. The prime minister who is the head of government chooses the cabinet of ministers. The government remains subject to Parliament's approval throughout each term. The country is subdivided into 43 municipalities – 36 regional municipalities and 7 state cities with their own governance. These have their own city councils and municipal administrations.
Leaders	Edgars Rinkēvičs (born 21 September 1973) is a Latvian public official and politician serving as the 11th and current president of Latvia since July 2023.
Regime Stability	Stable
ECONOMIC DATA (MAIN ECONOMIC INDICATORS)	
Economic Situation	Entire economy: › USD \$ 42.25 billion GDP (2023)⁶ › Internet and electronic commerce are rapidly penetrating the Latvian market and increasing the need for information and communications technologies (ICT) products, services, and support. The total ICT sector turnover has reached about \$5.1 billion, and the sector accounts for about 6 percent of total GDP.⁷
Financial Situation	› Currency: Euro › 1 Euro equals 1.54 Canadian Dollar (as of March 2025) › Inflation Rate: 2% (as of March 2025)⁸
Economic Policies Relating to IT Sector	Latvia Cybersecurity Strategy 2023-2026⁹ The Latvian Cybersecurity Strategy for 2023-2026, grounded in the Information Technology Security Law, outlines the national cybersecurity policy directions and objectives up to 2026. The strategy aims to enhance cyberspace security by developing cyber defense capabilities, increasing resilience against cyberattacks, and raising public awareness about cyber threats. The main priorities are protection, deterrence, and development.

3. [Working hours | Valsts darba inspekcija](#)

4. [Travel advice and advisories for Latvia](#)

5. [Convention Between the Republic of Latvia and Canada - Canada.ca](#)

6. [GDP \(current US\\$\) - Mexico | Data](#)

7. [Latvia - Computer Services](#)

8. [World Economic Outlook \(October 2024\) - Inflation rate, average consumer prices](#)

9. [Latvijas kiberdrošības stratēģija 2023.-2026.gadam...pdf](#)

	The strategy specifies five key action areas: › Improving cybersecurity governance. › Promoting cybersecurity and strengthening resilience. › Public awareness, education, and research. › International cooperation and legal frameworks in cyberspace. › Prevention and combating of cybercrime. Aligned with the EU Cybersecurity Strategy for the Digital Decade and national digital policy documents, the strategy ensures continuity from the previous 2019-2022 strategy and involves various state and non-state organizations, the private sector, and citizens.
Digital Transformation › Internet penetration rate › Digital literacy ranking › Cybersecurity investments › Other relevant data	› Internet penetration Rate: 92% (2023)¹⁰ › Other relevant data: In 2023, Latvia made notable progress in the digitalization of SMEs and the overall uptake of cloud. However, particularly important challenges persist in improving citizens digital skills and strengthening the overall connectivity infrastructure, both gigabit and 5G. In the past year, Latvia progressed in the digitalization of public services for businesses. Despite efforts, in 2023, only 45.3% of the population has at least a basic level of digital skills, below the EU average of 55.6%, and showing a decrease since 2022 (50.8% of the population had at least basic digital skills). In 2023, ICT specialists were 4.4% of employment (same as in 2022 and below the EU average of 4.8%) and almost 60% of enterprises reported hard to fill vacancies for ICT professionals.¹¹
POLITICAL AGREEMENTS AND RELATIONS WITH CANADA	
Political Agreements and Relations with Canada	› Canada and Latvia maintain an excellent relationship, grounded in shared values such as democracy, human rights, the rule of law, and support for the rules-based international order. › Latvia hosts Canada's largest overseas military deployment, with Canada leading the NATO multinational brigade in Latvia. › Canada did not recognize the Soviet annexation of the Baltic States and was the first G7 country to recognize Latvia's independence in 1991. › Canada is represented in Latvia by an Embassy in Riga, while Latvia has an Embassy in Ottawa and Honorary Consulates in Alberta, British Columbia, Nova Scotia, Ontario, and Quebec. › Latvia was the first EU Member State to ratify the Canada-EU Comprehensive Economic and Trade Agreement (CETA) in February 2017. › Canada and Latvia have a strong trade relationship, with Canadian exports to Latvia totaling \$207.1 million in 2024, a sharp decrease of 50.9% from 2023 (\$422.6 million), partly due to the end of the first phase of the Airbus A-220 contract with Air Baltics (the A-220 are manufactured in Mirabel, QC). Imports from Latvia reaching \$85.7 million in 2024, a 39.5% decrease from 2023 (\$141.7 million).¹² › The stock of Canadian direct investment in Latvia was valued at \$3.0 million at the end of 2023. › Canada and Latvia collaborate closely to meet NATO commitments to bolster troop presence on the Alliance's eastern flank to deter Russian aggression. › Canada leads and contributes to NATO Multinational Brigade Latvia (MNB-LVA) under Operation REASSURANCE, with approximately 1,700 Canadian Armed Forces members currently deployed. In July 2023, Canada announced \$2.6 billion in funding to renew and expand Operation REASSURANCE for three years, with up to 2,200 troops continuously deployed by 2026. › Canada was the first country to ratify Latvia's accession to NATO in 2004 and contributes to the NATO Strategic Communications Centre of Excellence in Riga. › Canadian Armed Forces personnel train and exercise with their Latvian counterparts and participate in NATO Force Integration Units in Latvia, Lithuania, and Estonia. › Canada and Latvia collaborate in various international forums, including La Francophonie, ICAO, ICC, NATO, OGP, OECD, OSCE, UN, UNESCO, and WTO.¹³

10. [Latvia 2024 Digital Decade Country Report | Shaping Europe's digital future](#)

11. [Lithuania: a snapshot of digital skills | Digital Skills and Jobs Platform](#)

12. Data provided by Global Trade Atlas

13. [Canada-Latvia relations](#)

MAJOR PLAYERS



Government

Information Technology Security Incident Response Institution of the Republic of Latvia (CERT.LV).¹⁴

CERT.LV operates under the Ministry of Defence and is tasked with enhancing the overall cybersecurity posture of the country. The agency's responsibilities include monitoring and responding to cybersecurity incidents, providing support and guidance to both public and private sector organizations, and promoting best practices in information security. CERT.LV also collaborates with international partners, including from Canadian Armed Forces Cyber command, to address cross-border cyber threats and participates in initiatives to improve global cybersecurity standards.



Private Sector

DEAC (Digital Economy Advancement Center)¹⁵

DEAC is a leading data center operator and IT service provider in Latvia, offering a wide range of cybersecurity solutions. Their services include data protection, disaster recovery, and secure cloud services. DEAC is known for its robust infrastructure and commitment to ensuring the highest levels of data security for its clients, which include both local and international businesses.

SQUALIO¹⁶

SQUALIO is a well-established IT company in Latvia that offers a range of cybersecurity services, including software asset management, data protection, and compliance solutions. They focus on helping organizations optimize their IT environments while ensuring robust security measures are in place. SQUALIO's team of experts is dedicated to delivering tailored solutions that meet the unique needs of their clients.

TET Cloud¹⁷

TET, formerly known as Lattelecom, is a major telecommunications and IT service provider in Latvia that also offers comprehensive cybersecurity services. Their offerings include network security, managed security services, and cybersecurity consulting. TET leverages its extensive experience in the telecommunications sector to provide reliable and secure solutions that protect businesses from evolving cyber threats.



Academic

Institute of Mathematics and Computer Science, University of Latvia (IMCS UL)¹⁸

The Institute of Mathematics and Computer Science at the University of Latvia is a leading research institution in the field of cybersecurity. IMCS UL conducts advanced research in various areas of information security, cryptography, and secure communication systems. The institute collaborates with both national and international partners to develop innovative solutions and contribute to the global cybersecurity knowledge base.

The Centre for Digital Forensics and Cyber Security at Tallinn University of Technology (TalTech) is a leading research institution focused on advancing the field of cybersecurity. The center conducts cutting-edge research in areas such as digital forensics, cyber defence, and secure systems. It collaborates with industry partners and government agencies to develop innovative solutions and provide high-quality education and training for cybersecurity professionals.

14. [CERT.LV - About us](#)

15. [DEAC & Data Logistics Center launch new brand - Delska](#)

16. [Squalio IT infrastructure, cybersecurity, and licensing | Squalio](#)

17. [Security solutions](#)

18. [UL Institute of Mathematics and Computer Science](#)



Association

Latvian Information and Communications Technology Association (LIKTA) ¹⁹

The Latvian Information and Communications Technology Association (LIKTA) is a leading industry association that represents the interests of the ICT sector in Latvia, including cybersecurity. LIKTA focuses on promoting the development and adoption of advanced ICT solutions, enhancing digital skills, and fostering innovation in the field of cybersecurity. The association organizes conferences, workshops, and training sessions to raise awareness about cybersecurity issues and best practices. LIKTA also collaborates with government bodies, educational institutions, and international organizations to strengthen the cybersecurity landscape in Latvia.

Latvian Open Technology Association (LATA) ²⁰

The Latvian Open Technology Association (LATA) is an organization that advocates for the use of open technologies and open standards in Latvia. While its primary focus is on promoting open-source solutions, LATA also places significant emphasis on cybersecurity. The association works to ensure that open technologies are secure and reliable, and it provides a platform for collaboration and knowledge sharing among professionals in the field. LATA organizes events, seminars, and discussions on cybersecurity topics, and it actively participates in policy-making processes to support the development of a secure and open digital environment in Latvia.

INTERNATIONAL COMPETITION

Research on cybersecurity-related foreign direct investment in Latvia since 2021 has identified only one project, which originated from India. This project involved Tech Mahindra (NSE: TECHM)²¹, a leading global provider of technology consulting and digital solutions to enterprises across industries. Tech Mahindra announced the expansion of its Business Processing Services (BPS) business in the Baltic States with the establishment of a new center in Riga, Latvia.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM ^{22 23}



STRENGTHS

- › **Proactive Threat Hunting Operations:** Latvia leads the European Union in organizing threat hunting operations, analyzing over 100,000 devices across 25 organizations, which strengthens the country's resilience against cyber threats.
- › **Robust National and International Cooperation:** CERT.LV actively collaborates with NATO, the Canadian Armed Forces, and other international bodies to enhance cybersecurity capabilities and intelligence sharing.



WEAKNESS

- › **High Incidence of Cyber Threats:** Despite resilience, Latvia experiences a high level of cyber threats, including politically motivated DDoS attacks, social engineering-based fraud, and compromised devices.
- › **Vulnerabilities in Connectivity Infrastructure:** Latvia falls below the EU average in VHCN, FTTP, and 5G coverage, impacting its overall cybersecurity infrastructure.
- › **Limited Basic Digital Skills:** Only 45.3% of the population possesses basic digital skills, which is below the EU average, indicating a need for more comprehensive digital literacy initiatives.

19. [About L3CE | L3CE](#)

20. [Open technology | LATA | Rīga](#)

21. [Tech Mahindra Expands BPS Business in the Baltic States with a New Centre in Latvia](#)

22. [Annual_Report_CERT-LV_2023.pdf](#)

23. [CERT-LV_report_03_2024.pdf](#)



- › **Operational Technology and Industrial Control Systems Security:** Latvia has launched projects to improve the security of its operational technology, particularly in the energy and transport sectors, establishing the first OT Security Operations Centre.
- › **Active Engagement in International Cybersecurity Exercises:** Participation in exercises such as Crossed Swords and Cyber Coalition, contributing to enhanced readiness and strategic defense capabilities.
- › **Strong Digitalization of Public Services:** Latvia ranks above the EU average in digitalization of public services and e-ID, reflecting a well-developed infrastructure in these areas.



- › **ICT Specialist Shortage:** Latvia reports a shortage of ICT professionals, with almost 60% of enterprises experiencing difficulties filling vacancies, which could hinder cybersecurity advancements.
- › **Configuration Deficiencies:** Persistent issues with misconfigured services and vulnerabilities continue to pose significant risks to Latvia's cybersecurity landscape.
- › **Inadequate Cybersecurity Education and Training:** There is a need to develop more focused educational programs for cybersecurity specialists and enhance public awareness campaigns.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

One significant area of potential is in enhancing digital skills across the population. There is a growing demand for educational initiatives aimed at boosting digital literacy and cybersecurity training. Canadian firms can contribute by offering specialized training programs and resources to help Latvians develop the necessary skills to protect themselves and their organizations from cyber threats.

Another critical area is infrastructure development. Latvia is investing in improving its Very High-Capacity Networks (VHCN), Fiber to the Premises (FTTP), and 5G coverage. These advancements are essential for supporting robust cybersecurity frameworks. Canadian companies with expertise in securing advanced telecommunications infrastructure can play a pivotal role in ensuring that these networks are resilient against cyber-attacks.

The expansion of the ICT workforce in Latvia also presents opportunities for Canadian cybersecurity firms. There is a need for strategies to increase the number of ICT professionals, with a focus on achieving gender balance and providing specialized cybersecurity training. Canadian companies can offer their expertise in workforce development and training programs to help Latvia build a skilled and diverse cybersecurity workforce.

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS

To effectively penetrate the Latvian market, Canadian firms should consider Latvia as part of a broader Baltic or EU market strategy due to the country's small population. Establishing a local presence through business agents or partnerships can be beneficial, especially for small and medium-sized enterprises (SMEs). Engaging with the Latvian Investment and Development Agency (LIAA) can provide detailed information on available incentives and tax allowances, which can be crucial for making informed investment decisions.²⁴

24. [Lithuania - Market Entry Strategy](#)

EVENTS

- › **CyberBazaar International Research Conference** TBD
- › **CyberChess (organized by CERT.IV)** October 29-30, 2025

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE

Latvia offers a strategically advantageous and dynamic business environment for foreign investors, including those from Canada. As a member of the European Union, NATO, the Eurozone, and the OECD, Latvia benefits from strong political and economic ties with major global markets. Its geographical position serves as a natural gateway between the United States, the EU, Russia, and Asia, supported by a highly developed transport infrastructure. The Latvian government provides various incentives to attract foreign investment, including tax, labor, and R&D benefits. These incentives, combined with a highly skilled workforce available at competitive labor costs, affordable real estate, and favorable tax rates, make Latvia an attractive destination for businesses. The economy, predominantly service-based, has shown resilience with a real GDP growth forecast of 1.8% in 2025 and 2.4% in 2026, according to the European Bank for Reconstruction and Development (EBRD)²⁵. The European Commission also projected a positive real GDP growth of 0.5% in 2025 and 2.0% in 2026²⁶. Other sources, such as the International Monetary Fund (IMF), have projected 2% growth for 2025 and 2.5% for 2026²⁷.

Despite its small population, Latvia is often viewed as part of the broader Baltic region or EU market, presenting opportunities across various sectors such as energy, IT, forestry, farming, woodworking equipment, transportation, agricultural products, and defense. The Latvian government is expected to spend approximately \$12.3 billion of EU structural funds between 2021 and 2027, including about \$2.9 billion from the EU's Recovery and Resilience Facility. The country's corporate income tax system exempts retained earnings, with a CIT rate of 20 percent on gross distributed profits. Latvia is well-connected with over 100 direct flights to major European cities. Challenges include local labeling requirements, potential market saturation, and competition from EU countries, the UK, and the Commonwealth of Independent States. However, significant projects like the \$6 billion Rail Baltica rail transport infrastructure project, set to connect Latvia with the European rail network by 2030, highlight the substantial opportunities available for businesses in Latvia.²⁸

25. [The EBRD in Latvia](#)

26. [Economic forecast for Latvia - European Commission](#)

27. [Republic of Latvia and the IMF](#)

28. [Latvia - Market Opportunities](#)

Useful Contacts

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Find Out More

- › [Please see footnotes](#)

In-Sec-M's Mission Report 2025

