

## Location Spotlight – Latvia

August 2021: Complimentary Abstract / Table of Contents



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For more information on this and other research published by Everest Group, please contact us:

**Parul Jain**, Practice Director


**Ratandeep Burman**, Senior Analyst

**Samyak Jain**, Analyst

# This report provides perspectives on key aspects of the global sourcing market in Latvia

Location Spotlight – Latvia

### Latvia | at a glance



A promising Baltics location offering skilled multilingual talent with favorable business environment for global services delivery

KEY FACTOIDS

14,000-16,000 annual tertiary graduates

Annual operating cost per FTE 18-23% savings over tier-2 UK (Manchester) 15-25% higher cost than Poland (Warsaw)

Current overview

Key drivers

Key challenges

KEY PLAYERS:

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Location Spotlight – Latvia

### Latvia | risk profile (page 1 of 2)

#### Strong infrastructure support and stable outlook

Highly favorable

Favorable, some concerns

Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	<div></div>	<ul style="list-style-type: none"><li>There have been conflicts related to identity politics, which have expanded from their traditional focus on ethnic Latvians versus Russian speakers to a broader debate on liberal versus national-conservative values</li><li>The country elected a new government in 2019, and it lacked political representation for the large Russian-speaking minority (30% of the population). This may cause unrest in the society</li><li>Relations with Russia became slightly strained as a result of construction of a fence at the Russian border in 2019, perceived by some Russian media outlets and politicians as a gesture against Moscow</li></ul>
Macroeconomic	<div></div>	<ul style="list-style-type: none"><li>Latvia's GDP growth forecast has projected an increase of 3.3% and 6.5% in 2021 and 2022 respectively; Latvia's inflation forecast is projected at 2.0% in 2021 and 2.9% in 2022</li><li>A rise of 6-8% in the average wage is expected in 2021 and almost 5-6% in the coming years. The continued rise in the minimum wage rate can undermine the country's external competitiveness</li><li>Like many other countries, Latvia was economically hit by the global pandemic and experienced a recession. However, a strong recovery is expected in 2021</li><li>Stable outlook as per Moody's ratings and assessments</li></ul>
Infrastructure	<div></div>	<ul style="list-style-type: none"><li>Latvia ranks 42 out of 141 countries in the Global Competitiveness Report 2019 by World Economic Forum. It ranks 15 for ICT<sup>1</sup> Adoption</li><li>Latvia has a highly developed logistics and communications infrastructure</li><li>Latvia launched Baltic Highway, which is a superior fiber-optic infrastructure that allows transmission of data at cheap rates favoring data-intensive companies</li></ul>

<sup>1</sup> Information and communication technology

Source: Everest Group (2021); inputs from recruitment firms, market players, and investment agencies

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# Research calendar

## Locations Insider™

Published Planned Current release

### Flagship reports

### Release date

Location Spotlight – Lithuania	March 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Risk Watch	March 2021
Location Spotlight – Cali, Colombia	March 2021
Location Spotlight – Hungary	June 2021
Location Spotlight – Thailand	July 2021
Location Spotlight – Croatia	August 2021
<b>Location Spotlight – Latvia</b>	<b>August 2021</b>
Location Spotlight – Ghana	Q3 2021
Location Spotlight – Querétaro, Mexico	Q3 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Key Trends Shaping the Landscape	Q3 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Locations PEAK Matrix®	Q3 2021

### Thematic reports

### Release date

Leading European Locations for Global Delivery of Engineering Services	October 2020
Data & Analytics Handbook – Delivery Location Strategy to Steer Through Digital Disruption	November 2020
Cybersecurity Talent Handbook – Guide to Cybersecurity Skills Across the Globe	June 2021
LATAM : Emerging Nearshore Destination	Q3 2021

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[info@everestgrp.com](mailto:info@everestgrp.com)

+1-214-451-3000

### Bangalore

[india@everestgrp.com](mailto:india@everestgrp.com)

+91-80-61463500

### Delhi

[india@everestgrp.com](mailto:india@everestgrp.com)

+91-124-496-1000

### London

[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)

+44-207-129-1318

### Toronto

[canada@everestgrp.com](mailto:canada@everestgrp.com)

+1-647-557-3475

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