



# Business Services Sector in Latvia 2025



In Cooperation with  
Riga Investment and Tourism Agency (LIVE RIGA)



Report prepared by the Association of Business Service Leaders in Latvia (ABS L Latvia)  
in cooperation with the Riga Investment and Tourism Agency (LIVE RIGA),  
Deloitte, Colliers, Figure Baltic Advisory



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**Chapter 1** – ABS L Latvia (Business Services Sector in Latvia, 2025)

**Chapter 2** – Deloitte (The Modern Employee in an Era of Change: What Really Motivates Them?)

**Chapter 3** – Figure Baltic Advisory (Special Analysis for Global Business Services GBS Sector)

**Chapter 4** – Colliers (Office Market – Baltics and Latvia)

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# GENERAL INFORMATION ABOUT RIGA, LATVIA

## #1

1<sup>st</sup> in International Corporate Income Tax Index 2024  
in the OECD ([taxfoundation.org](https://taxfoundation.org))

## #2

2<sup>nd</sup> in International Tax Competitiveness Index 2024  
([taxfoundation.org](https://taxfoundation.org))

## #1

Most Dynamically Developing City of the Year  
in the CEE Region (CEE Business Services Awards),  
2024 & 2025 ([europeanbusinessservices.com](https://europeanbusinessservices.com))

## TOP 10

Top 10 in Human Capital and Lifestyle (Europe  
best mid-sized city category by fDi Intelligence),  
2024 & 2025 ([fdiintelligence.com](https://fdiintelligence.com))

## TOP 10

Top 10 in FDI startegy (Europe best mid-sized city category  
by fDi Intelligence), 2024 & 2025 ([fdiintelligence.com](https://fdiintelligence.com))

## Access to large markets

Riga offers convenient access to European markets,  
supported by a highly developed logistics network  
an direct flights to over 90 destinations

## Multilingual talent pool

95% speak at least one foreign language 54% speak  
at least two foreign languages

## Member of EU & NATO

EU an NATO membership ensures political stability,  
clear regulations, and a secure environment  
for global business





# FOREWORD



**Aļesja Kirčenko**

Chairperson of the  
Board at ABSL Latvia

**It is with great pride and optimism that ABSL Latvia presents the 2025 edition of the Latvian Business Services Report – now in its sixth consecutive year. This report continues to serve as a trusted resource for all stakeholders and partners of Latvia’s Global Business Services (GBS) sector, offering data-driven insights that support strategic decision-making and long-term growth.**

Over the past year, the industry has once again demonstrated its resilience and a strong momentum. We’ve seen steady expansion in both the scope of services and the number of professionals employed. In 2024, the GBS industry in Latvia employed approximately 19,000 professionals and contributed an impressive €317 million in employment taxes to the national budget – underscoring its growing economic significance.

What’s especially important is that Latvia’s GBS sector is far from reaching its potential. The country continues to offer a compelling value proposition for international investors: a skilled and expanding talent pool, competitive cost structures, and developed infrastructure within the European Union. These advantages make Latvia a very competitive destination for global companies seeking to establish or scale their operations.

We are deeply grateful to the Riga Investment and Tourism Agency for their continued partnership and support in bringing this report to life. Our sincere thanks also go to all participating companies for their valuable contributions – your insights ensure the credibility and relevance of this report.

As we look ahead, we remain confident in the sector’s trajectory and the opportunities that lie ahead.



# **RIGA'S RISE:** **WHY GLOBAL** **PLAYERS** **ARE CHOOSING** **LATVIA'S CAPITAL** **FOR THEIR GBS HUBS**



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**Fredis Bikovs**

Managing Director,  
Riga Investment  
and Tourism Agency

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**Riga, the capital of Latvia, is quickly climbing the ranks as one of Central and Eastern Europe's most compelling locations for Global Business Services (GBS) operations. While traditional hubs**

**in the region are increasingly saturated and facing rising costs, Riga offers a dynamic, well-balanced alternative – combining mature infrastructure, multilingual talent, and exceptional accessibility.**

**According to Fredis Bikovs, Managing Director of the Riga Investment and Tourism Agency, the city is at a turning point. "We're seeing strong interest from new investors, and the market here is gaining momentum fast," he shares. What sets Riga**

**apart isn't just its cost advantage, though that remains highly attractive, but the strategic combination of talent, connectivity, and livability that positions the city as a long-term solution for growing global operations.**

## **A Mature Yet Agile Market**

Unlike emerging markets that require companies to build from scratch, Riga's GBS ecosystem is already well-established. Major players like Accenture, SEB, and Circle K have built substantial operations here, each employing between 1,000 and 1,700 professionals. These are not back-office setups – they are high-value, multifunctional centers playing strategic roles within their organizations.

At the same time, many primary and secondary locations across Europe are becoming oversaturated, with intense competition for talent and rising costs. In contrast, Riga remains less saturated compared to its main competitors in the Baltics, Central and Eastern Europe (CEE), and Southern Europe.

Also, Latvia offers a highly competitive talent pool. It has one of the highest rates of higher education attainment in Europe, and Latvians are typically multilingual – fluent in English and frequently proficient in one or more additional European languages, often including a Nordic language. This is complemented by a Western-style corporate mindset and high adaptability to international working environments – all at a significantly lower cost than in Western Europe.

## **Serving Global Markets, Not Just the Nordics**

A common misconception is that Riga's GBS footprint is mainly oriented towards the Nordic region. While Latvia's economic and cultural ties with the Nordics are indeed strong, the city's GBS sector serves a far broader footprint. Roche, a Swiss pharmaceutical giant, runs its EMEA operations from Riga. UK-based fintech



GoCardless has chosen the city for its second-largest global office, after London. American specialty chemicals company Cabot manages global functions – including those for North America and Asia – from its Riga hub.

Tech capabilities are also scaling rapidly. “There’s this idea that Riga struggles to attract IT talent, but we’re seeing strong movement there,” says Bikovs. Swisscom has built and is expanding a DevOps center, while GoCardless entered the market by acquiring a successful local start-up, embedding deep technical know-how from day one.

## Quality of Life Meets Business Ambition

For talent – both local and international – Riga offers a unique value proposition. “It’s a big – small city,” Bikovs explains. “You have Michelin-starred restaurants, a world-class opera, a growing creative scene... and at the same time, you can bike anywhere, be in nature in 20 minutes, and run through five parks on your way to work.”

Riga is also a remarkably green city, with forests, beaches, and urban parks all within easy reach. Unlike major capitals where hours are lost in traffic, Riga’s scale and walkability allow professionals to live more balanced lives. This quality of life is a major asset in the competition for international and returning talent.

## Affordable, Modern, and Growing

Affordability is another area where Riga shines. It currently has the most affordable residential costs in the Baltics, making it especially attractive to young professionals and families. Meanwhile, the city is seeing a wave of modern residential and commercial developments, with new neighborhoods transforming rapidly. A-class office spaces remain competitively priced – typically between €15–18 per square meter – and are in ample supply, with more coming online.

The city also stands out for its connectivity. Riga International Airport offers direct flights to over 100 destinations, outperforming many cities in the region. This accessibility, combined with its EU single-market advantages and stable business environment, makes Riga a natural choice for companies with regional or global ambitions.

## Fast, Digital, and Accessible

One of Riga’s defining strengths is its efficiency. Latvia is among the most digitalized countries in Europe, with nearly all administrative services – including company registration – available online. New businesses can typically register in just 1-2 days.

There’s also a relational advantage. “There’s a saying that you can reach anyone in the world through seven handshakes. In Riga, it’s usually one or two,” Bikovs notes. That speed of connection – within business, government, and the wider ecosystem – is something that global companies consistently point to as a competitive advantage.

## Looking Ahead

Riga has already earned recognition as the “Most Dynamically Developing City in CEE” in the GBS sector for two consecutive years. With its growing international presence, exceptional talent pool, and quality of life rarely matched in Europe, the city is well on its way to becoming a leading GBS and digital operations hub for the next decade.

As Bikovs puts it, “Riga offers the scalability, access, and lifestyle that the next generation of business leaders are looking for. It’s no longer a hidden gem – it’s the smart choice.”







# ABSL LATVIA



**The Association of Business Service Leaders in Latvia (ABSL Latvia) is the leading organization representing the largest Shared Services Centres (SSC), Global Business Services (GBS), Business Process Outsourcing (BPO), and Information Technology Outsourcing (ITO) centres operating in Latvia. Since its founding in 2019, ABSL Latvia has served as a dynamic platform for dialogue, collaboration, and strategic alignment between the business services community, government, academia, and other key stakeholders – both locally and internationally.**

2024 marked a significant milestone in the growth of Latvia's business services sector. For the first time, we hosted the ABSL Latvia Summit, the country's inaugural industry-wide conference for the GBS and shared services community. This landmark event brought together exceptional speakers from across Europe and leading experts from Latvia, creating a high-impact environment for collaboration and exchange. With nearly 200 participants from 50 companies and 12 countries, the Summit served as a powerful catalyst for regional cooperation and industry visibility. Together, we explored the future of GBS centres, cutting-edge strategies in technology and talent management, and the evolving role of site selection in the global business landscape.

Alongside this flagship initiative, ABSL Latvia continued delivering on its five core pillars, which form the backbone of our mission:



## **Cooperation with Universities**

In the academic year 2024/2025, we continued our successful guest lecture series across Latvian universities. These sessions connect students with industry leaders, offering practical insights, career inspiration, and exposure to real-world business challenges.



## **Knowledge Exchange Events**

Every month, ABSL Latvia hosts industry meetups that bring professionals together to share experiences, insights, and best practices – strengthening internal competence and cross-sector collaboration.



## **Raising Industry Awareness**

We actively engage in public discourse as thought leaders, contributing to media discussions, forums, and national debates. Our goal is to elevate public understanding of the business services sector and highlight the career opportunities it offers to local talent.



### Annual Business Services Report

Each year, ABSL Latvia publishes the Latvian Business Services Report, providing comprehensive data, industry trends, and forward-looking insights essential for policymakers, investors, and sector leaders.



### Policy Advocacy and Lobbying

As a trusted industry advocate, ABSL Latvia maintains strong relationships with national ministries and policymakers. We act as a critical bridge between the private sector and government, addressing inefficiencies, proposing improvements, and ensuring that Latvia remains a competitive location for business services.

As the sector evolves, so does our mission. ABSL Latvia remains committed to amplifying the voice of the industry, creating meaningful connections, and paving the way for Latvia to become a recognized hub for global business services in Northern Europe.

## ABSL Latvia Members and Strategic Partners



## Business services industry in a nutshell



**57**

Number of Business Service Centers based in Latvia



**19,940**

Jobs (March 2025)



**5%**

Average growth in people employed by the sector in 2024 (5% in 2024)



**IT, Customer Operations, Finance & Accounting**

Most popular business support functions in 2024



**79%**

Planning to expand operations in 2025



**46%**

Providing their services globally; the remaining part serves specific regions or countries



**63%**

Business Service Centers are operating in Latvia already more than 7 years



Top 3 countries serviced from Latvia



**63%**

Organizations plans to recruit talent from any part of Latvia without requiring relocation to Riga (in the next 12 months)



**58%**

Operations carried out in Latvian GBS centers are knowledge-intensive work (the rest is considered to be more like transactional activities)

## Sector contribution to economic growth of Latvia in 2023



EUR **1,685**

Average Salary in Latvia (2024) before taxes



EUR **2,560**

Average Salary in GBS Sector in 2024 before taxes



EUR **330** million

Total payments made by the industry to the state budget through taxes and social contributions in 2024



**The largest tenants of A-class, modern office space in Riga**

Industry long-term growth has positively affected the development of A-class offices in Riga



# REPORT CONCEPT AND METHODOLOGY

This year, 24 industry organizations out of the 57 currently operating in Latvia participated in the ABSL Latvia survey conducted in February 2025. The survey primarily reviewed key data, achievements, and challenges faced by the industry in 2024, while also offering preliminary insights and forecasts for 2025.

The 24 participating companies collectively employ 8,850 individuals, accounting for 45% of the total industry workforce. ABSL Latvia continues to strive toward increasing the number of survey participants each year. We are sincerely grateful to every organization that invests time and energy in completing the survey—your input enhances the credibility, depth, and reliability of the results.

A growing segment of our member base consists of pure IT centers, delivering IT-related services either to their group companies or to unrelated clients around the world. The role of IT in Latvia's business services sector is expanding rapidly, becoming an increasingly dominant force in the overall industry landscape.

While the exact definition of the Global Business Services (GBS) industry may vary slightly from country to country, in Latvia we classify an organization as part of this sector if it meets the following three criteria:

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It operates as part of a global organization, with affiliates or subsidiaries in at least two countries;

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It is foreign-capital-based, reflecting the industry's strong ties to international investment;

---

It primarily exports business or IT services to group companies or external clients abroad.

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Organizations within the industry typically fall into one of the following models:

---

Captive centers, which provide services exclusively to their group companies and generally operate as cost centers;

---

External service providers, which deliver services to clients worldwide and often operate as profit centers or regional hubs;

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In rarer cases, hybrid models also exist – organizations that function both as internal units and external service providers.

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# 1

# OVERVIEW OF THE BUSINESS SERVICES SECTOR IN LATVIA

## Overall characteristics of the GBS industry in Latvia

The bar chart presented in *Figure 1.1* illustrates the maturity of the Latvian GBS sector, measured by years of operation of the organizations that participated in the research<sup>1</sup>. When compared

to last year's results, the percentage of BPO, SSC/ GBS, and ITO centers based in Latvia that have surpassed the 10-year mark has increased by 8%. Additionally, the percentage of newcomers has risen from 9% in 2023 to 12% in 2024. This trend indicates that the Latvian GBS industry continues to solidify its position and prove its value to global organizations. It also highlights that Latvia is increasingly viewed as an attractive destination for companies seeking to expand their business operations, with its competitive advantages becoming more evident.

<sup>1</sup> The data presented herein represent those organizations that participated in this survey, accounting for 24 out of 57 entities.

**FIGURE 1.1** | Length of time that business services centres have had their operations in Latvia (%)

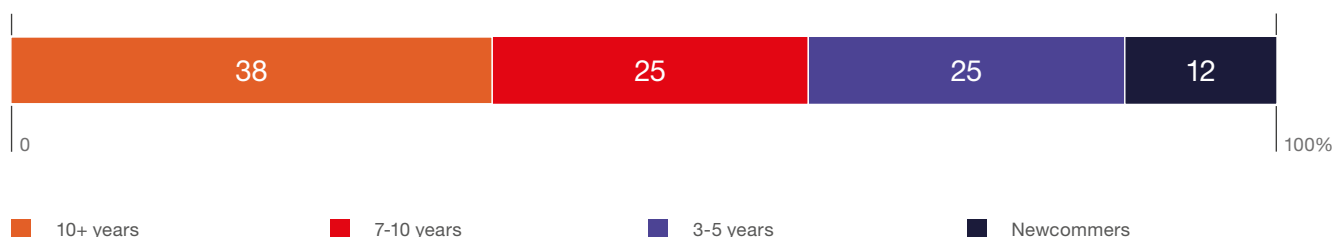
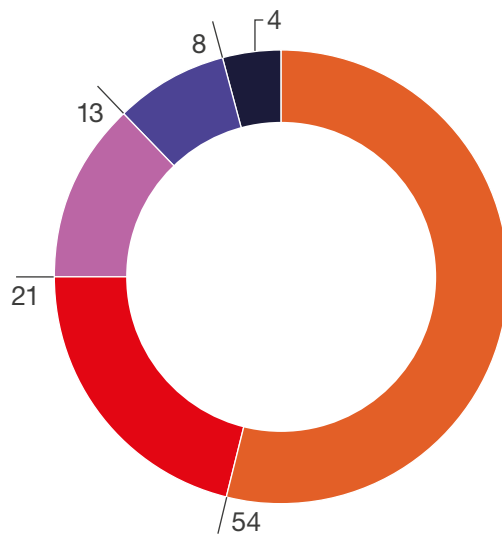


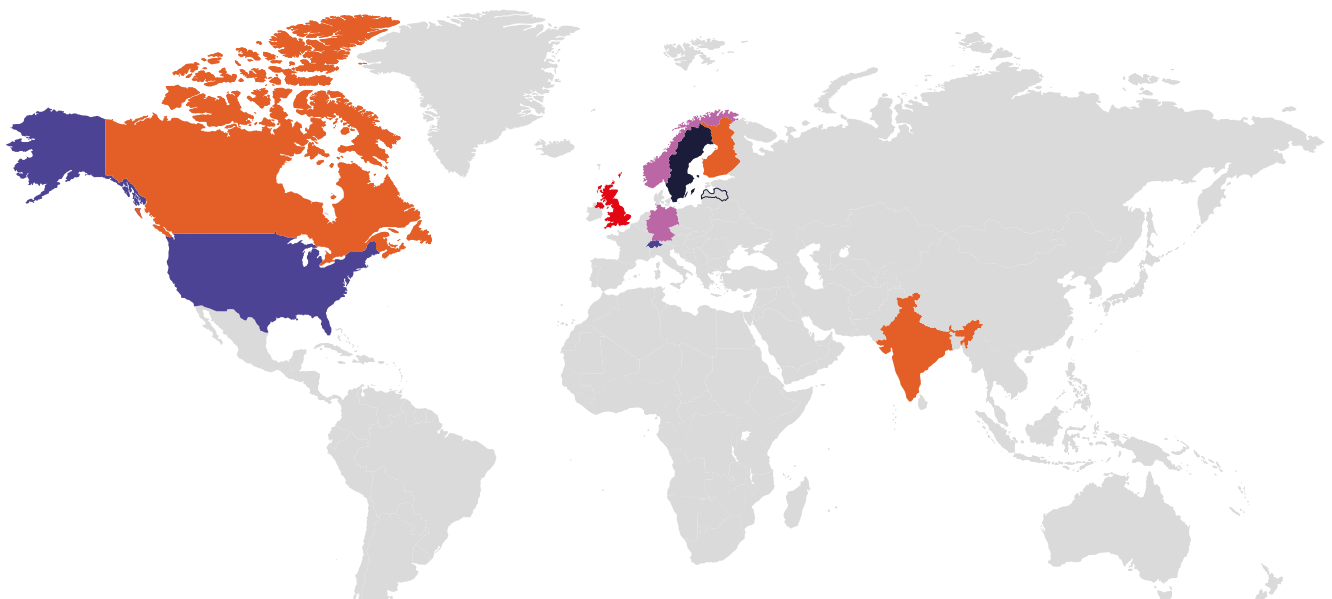
FIGURE 1.2

**SSC / GBS / IT / IPO centers  
by operating model (%)**

A bit more than half (54%) of the organizations participating in this year's survey are internal units or captive centers, providing business support services exclusively to their group companies (SSC / GBS). Hybrid models, delivering IT and/or business services to both internal and external clients, constitute the second most common operating model at 21%. Organizations operating as commercial outsourcing providers of business services (BPO) account for 13%, while internal IT service providers serving only their group companies make up 8%. The smallest segment, at 4%, represents commercial providers or outsourcing centers delivering IT services exclusively to external clients (ITO). This distribution illustrates a predominance of captive centers, highlighting Latvia's role as a preferred location for organizations looking to consolidate internal processes and operations.

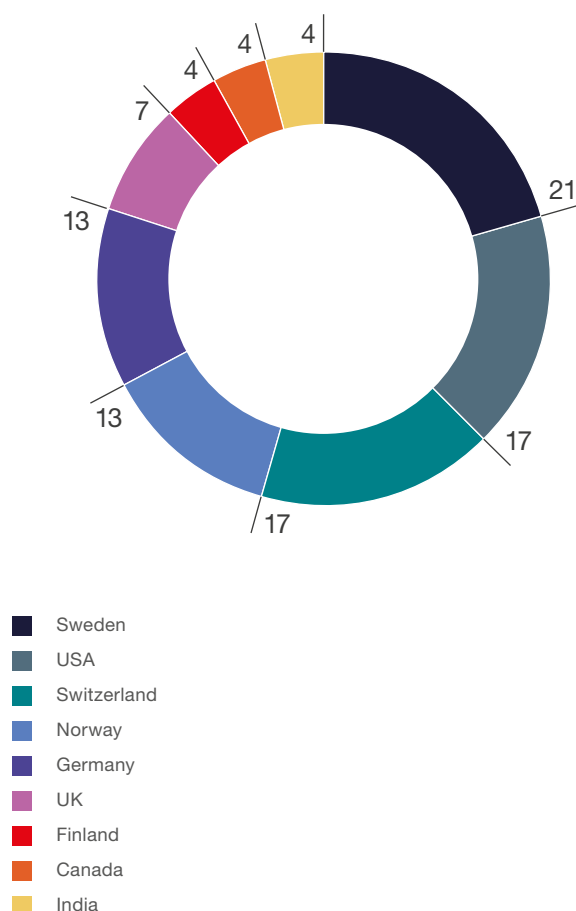
- Internal unit / captive center (provides services only to group companies) SSC / GBS
- Hybrid model (providing IT and / or Business services to both internal and external clients)
- Internal IT service provider (provides IT services to group companies only)
- Commercial provider / outsourcing center (providing IT services to external clients) ITO
- Commercial provider / outsourcing center (providing business services to external clients) BPO

FIGURE 1.3

**GBS / IT / IPO centers by country of origin<sup>2</sup>**

<sup>2</sup> The data presented herein represent those organizations that participated in this survey, accounting for 24 out of 57 entities.

FIGURE 1.4

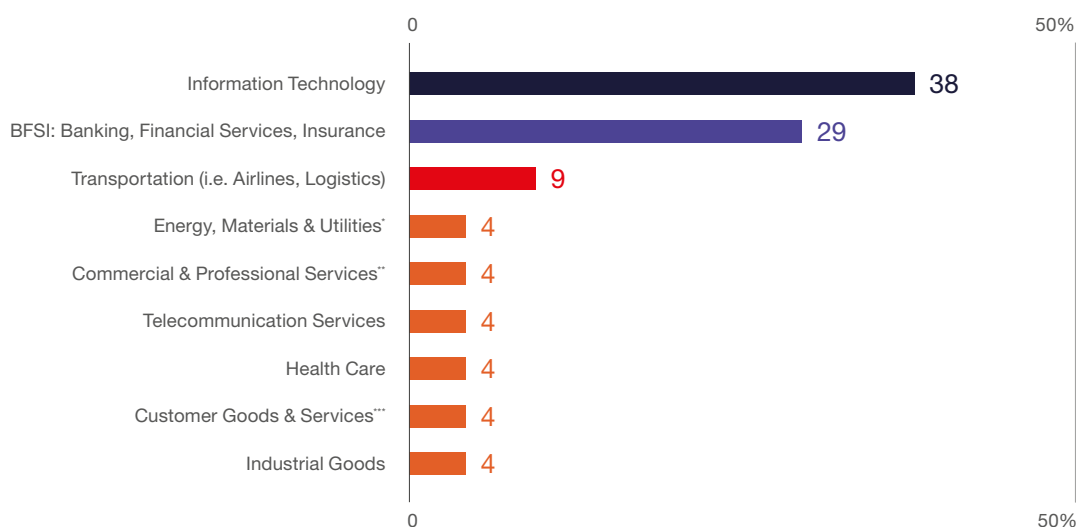
**Country of origin of companies**  
(HQ, 2025) (%)

When examining the countries of origin for GBS centers located in Latvia, the trends observed in previous years remain strong. Riga continues to be frequently selected by global organizations, particularly those headquartered in the Nordics. According to survey respondents, 38% of all participating organizations originate from Nordic countries. This sustained preference can be attributed to cultural and business similarities between the Nordics and the Baltics, as well as geographic proximity, facilitating easier collaboration, shared business practices, and efficient operational oversight, Common EU regulatory framework, availability of multilingual talent.

Notably, the United Kingdom and India emerges as a new country of origin, due to newcomers entering the market during recent years, highlighting Latvia's expanding global reach beyond traditional European and North American markets. These changes indicate growing international diversity and suggest that Latvia's appeal as a GBS destination is strengthening, attracting organizations from a broader geographic range.

From the other angle, the perspective of business sectors supported by the industry, the Information Technology sector remains predominant (38%), followed by Banking, Financial Services, and Insurance (BFSI) at 29%. This diversification demonstrates the robust service capabilities of Latvian GBS centers, making them valuable partners across multiple industries and international markets.

FIGURE 1.5

**Core business of the companies (HQ) (%)**

\* i.e. Oil &amp; Gas, Chemicals, Paper &amp; Forest Products, Metals &amp; Mining

\*\* i.e. Business Support Services, HR Services, Legal Services, Research &amp; Consulting Services

\*\*\* i.e. Automation &amp; Auto Parts, Food &amp; Beverages, Media, Retailing, Leisure

FIGURE 1.6 | Top markets served by Latvian GBS industry (%)

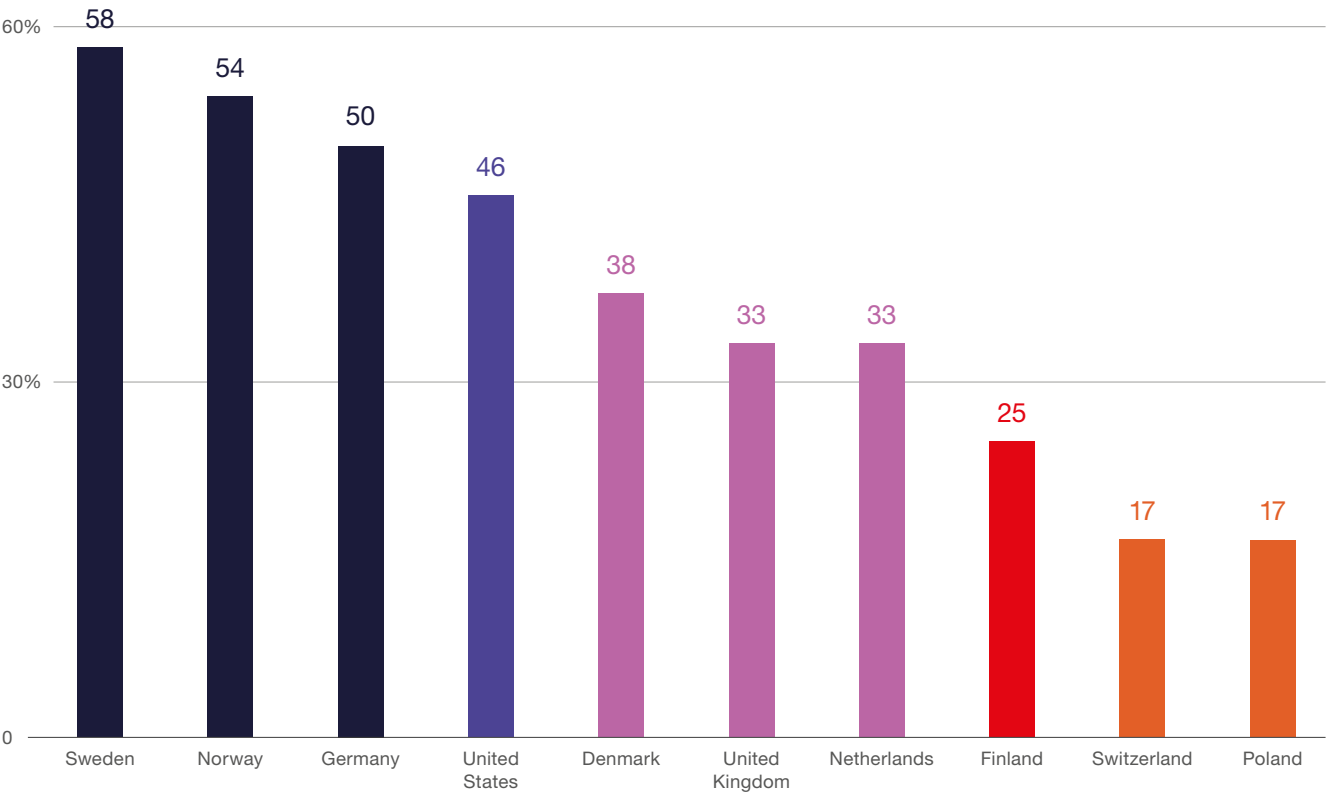
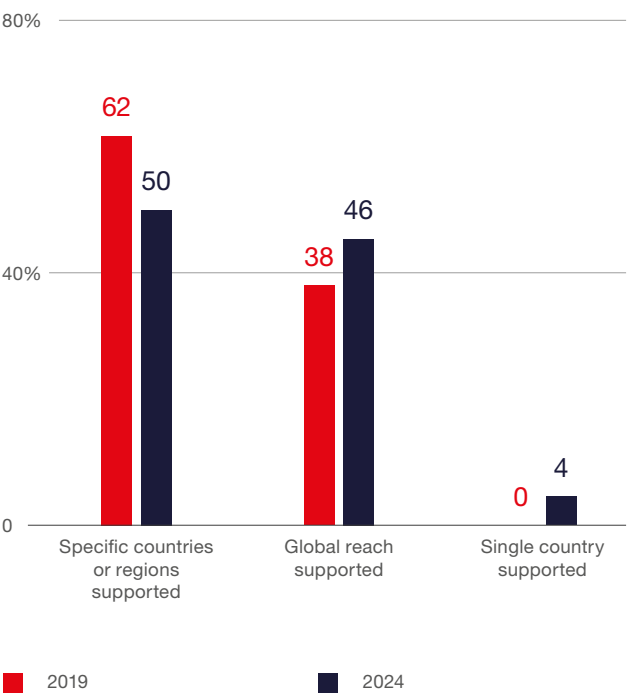


FIGURE 1.7 | Geographical scope of services (%)



Over the past five years, the geographical scope of services provided by industry organizations has shifted noticeably. While in 2019 the majority of respondents (62%) supported specific countries or regions, by 2024 this number has decreased to 50%. In contrast, the share of organizations supporting operations with a global reach has grown from 38% to 46%, indicating a steady trend toward broader, multi-market service models.

Interestingly, this year also marks the first appearance of a new category — “single country supported” — with 4% of respondents falling into this group. This addition likely reflects the entrance of new organizations into the Latvian market, which are initially focused on serving a single national market before potentially expanding to regional or global operations.

FIGURE 1.8 | Process categories supported by business services centers in Latvia in 2024 (%) (Part 1)

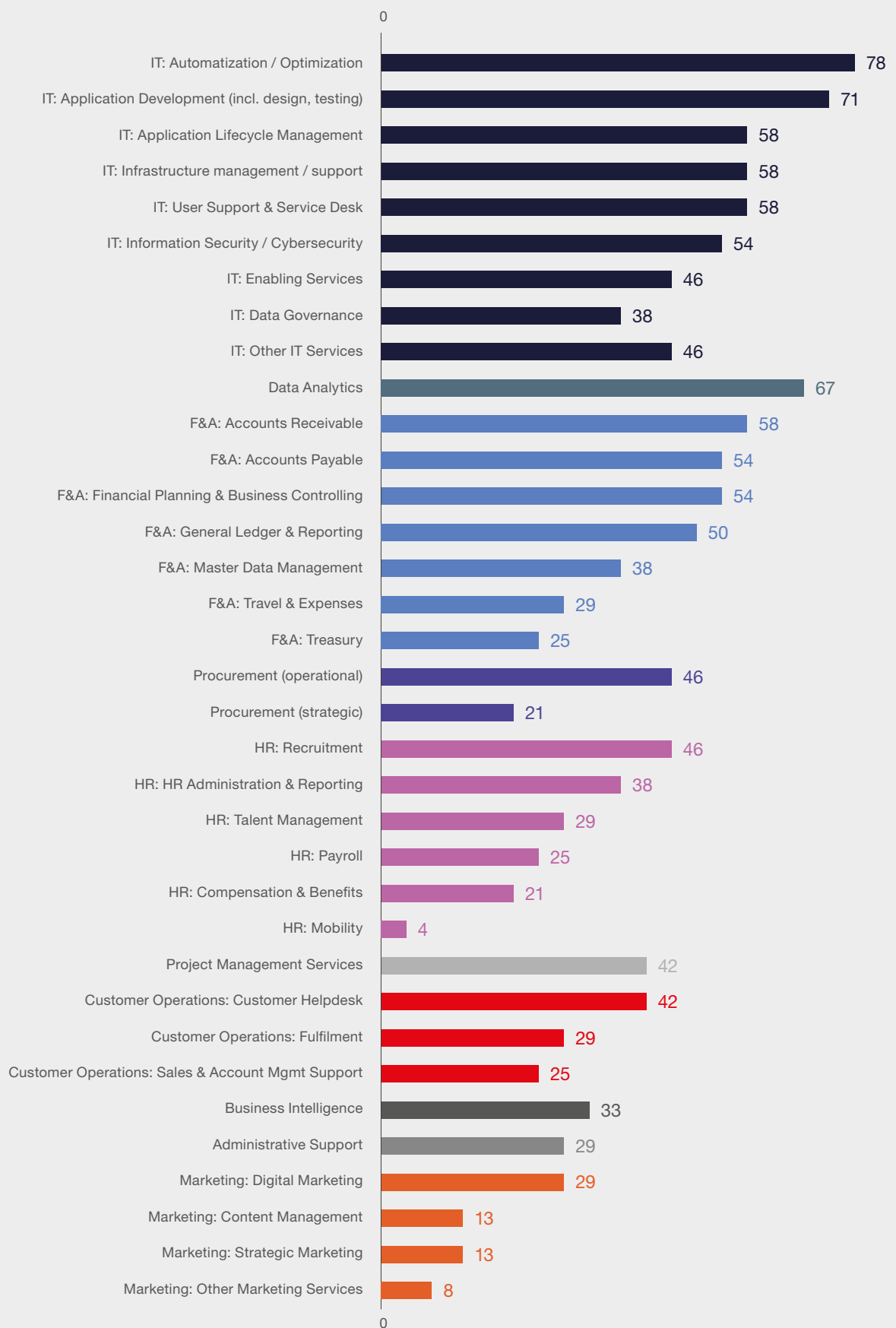




FIGURE 1.8

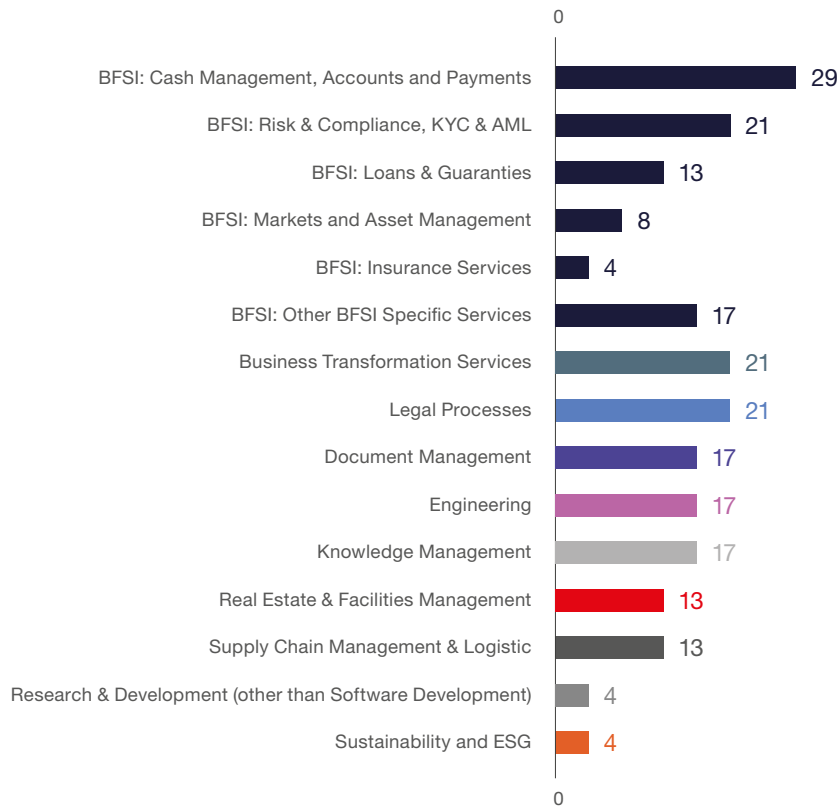
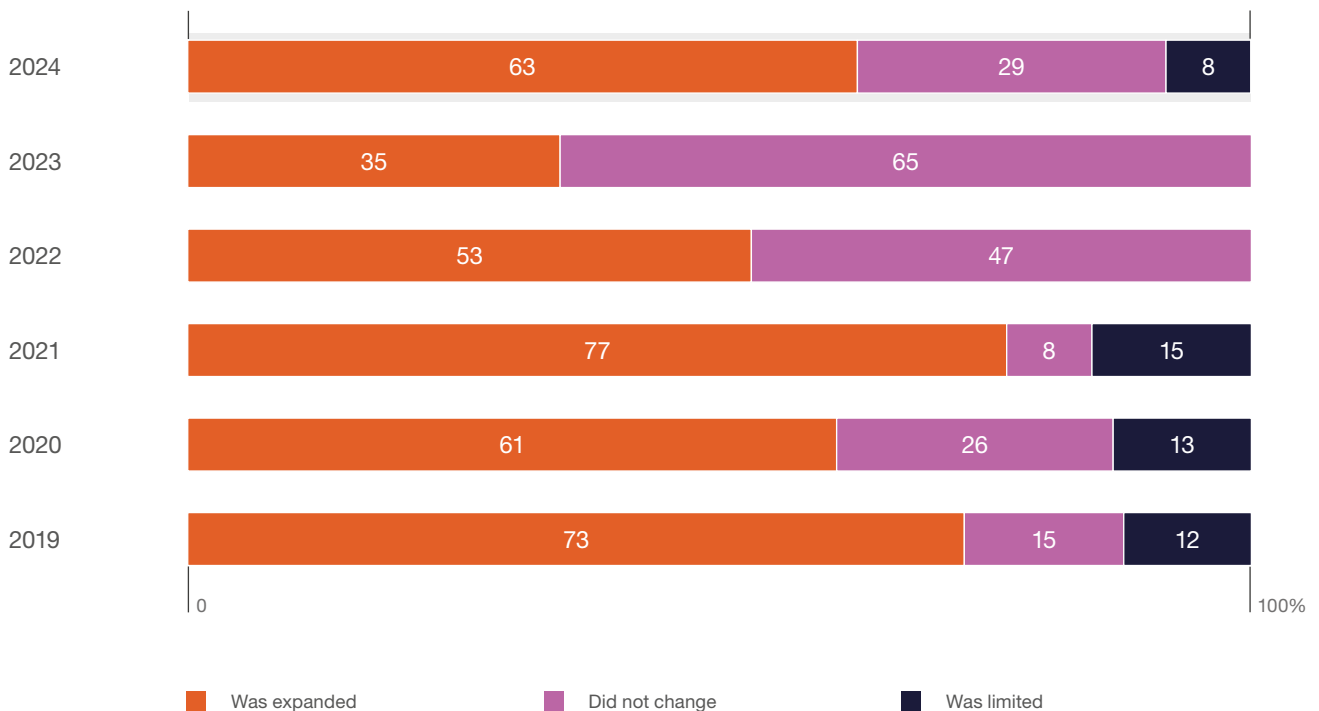
**Process categories supported by business services centers in Latvia in 2024 (%) (Part 2)**

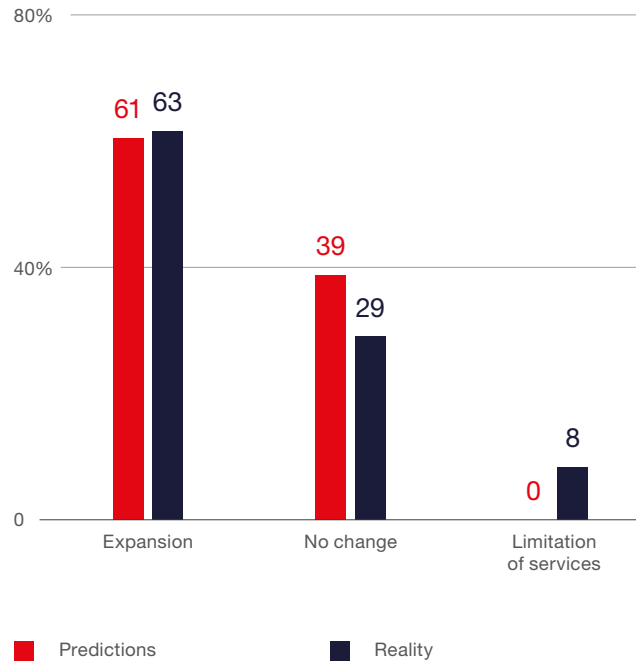
FIGURE 1.9

**Changes in the scope of services provided (2019–2024) (%)**

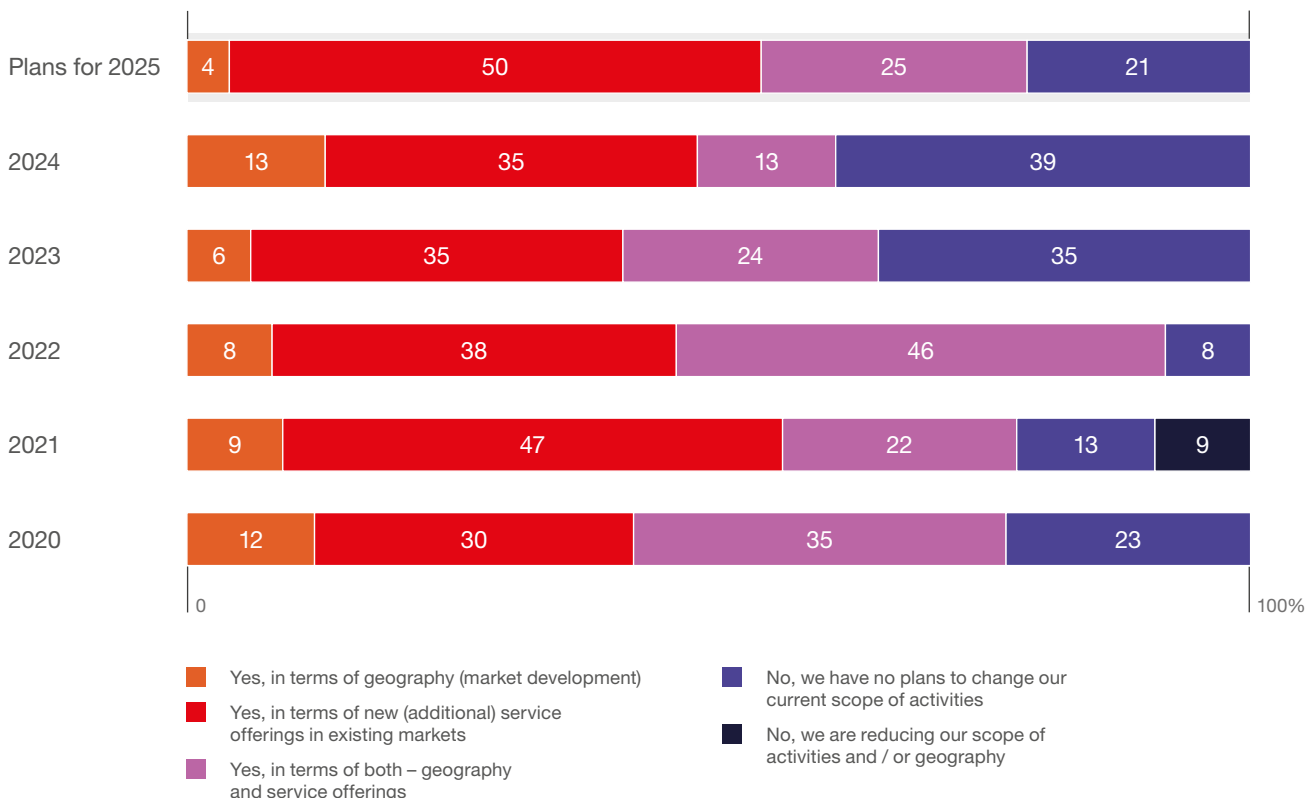
Since 2019 Latvian GBS industry has seen that the scope of services provided has been expanded ranging from 50% – 77% each year. The slower expansion of service scope in 2023 can be explained by geopolitical tensions, but as we can see in 2024 expansion growth is back at 63%. When comparing last year's predictions regarding service changes for 2024 with the actual outcomes, we observe that expansion expectations closely matched reality, with predictions at 61% and actual expansion at 63%. This alignment represents a significant improvement compared to the previous year (2023), when 65% of respondents had anticipated growth, yet only 35% succeeded in achieving their expansion objectives.

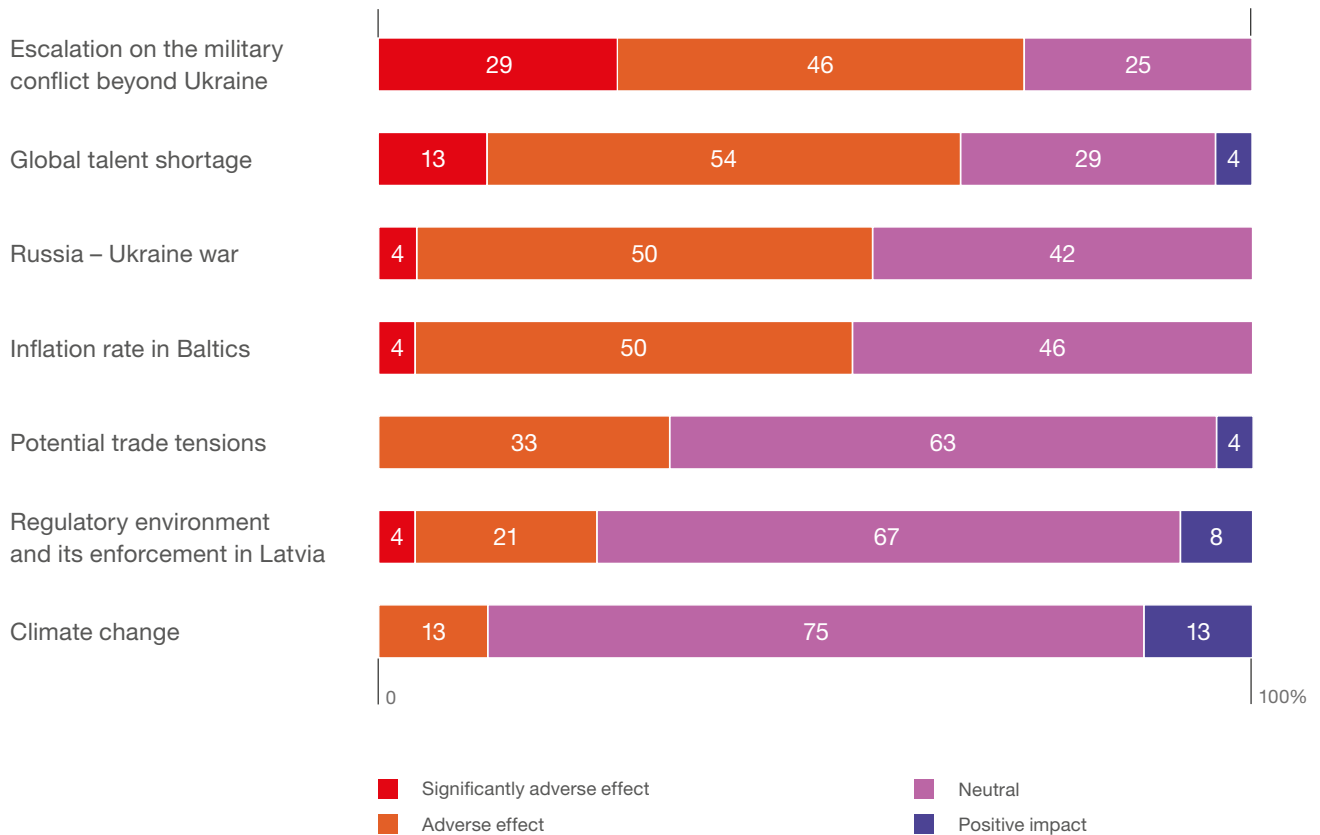
Predictions for the next 12 months indicate that more than three-quarters of respondents plan to expand their operations – whether geographically by introducing new services to existing markets, or both – while only 21% report having no expansion plans. Since 2020 we can see that each year more than 60% of companies plan to expand their operation in terms of geography, offering new services or even both. This trend clearly demonstrates that despite ongoing global tensions and geopolitical uncertainties, organizations within Latvia's GBS sector maintain a confident and optimistic outlook regarding their growth prospects and future opportunities.

**FIGURE 1.10** | Industry growth plans: expectations versus actual in 2024 (%)



**FIGURE 1.11** | Industry plans to expand the operations over next 12 month (comparison 2020–2025) (%)



**FIGURE 1.12** | Future outlook on factors affecting industry activity in Latvia in 2025 (%)

Similarly to last year, climate change continues to be seen as having mostly a neutral impact on the industry by the majority of respondents. Encouragingly, concerns related to inflation rates in the Baltics have decreased by 13%, suggesting a slightly more stable economic outlook.

However, for other factors, we can observe notable shifts. The regulatory environment in Latvia, which was a concern for only 10% of respondents last year, now shows an adverse effect for 25%, indicating a rising sensitivity to local governance and enforcement challenges.

The global talent shortage, which last year was viewed as an adverse factor by 67% of respondents, has evolved into a more complex picture this year: while the overall concern has somewhat decreased, 13% now perceive it as having a significantly adverse effect on their operations.

Furthermore, the fear of escalation in the military conflict beyond Ukraine has risen, with an 8% increase in respondents anticipating that it could impact their business activities in the coming year.

Overall, while some external risks are perceived as stabilizing (such as inflation), geopolitical tensions and talent availability pressures remain major concerns shaping the future outlook of the industry.

# Employment in the industry

When examining the average turnover rate across the industry based on respondent companies, it was reported at 11%. As we saw earlier, 63% of responding companies expanded their operation in terms

of geography, offering new services or even both and we can also see just over half of the respondents (53%) indicated that their employment numbers had increased as well. Meanwhile, 26% reported no significant changes, and 17% experienced a decrease in employment, which can be explained with higher automation of processes which has helped in continued development. Overall, even though data degree of consolidation and adjustments in some organizations, general trend points towards growth.

FIGURE 1.13 Headcount change in 2024 (%)

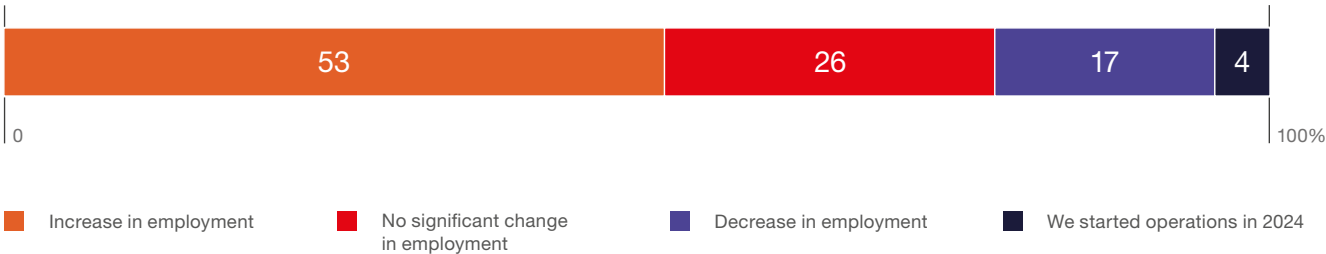
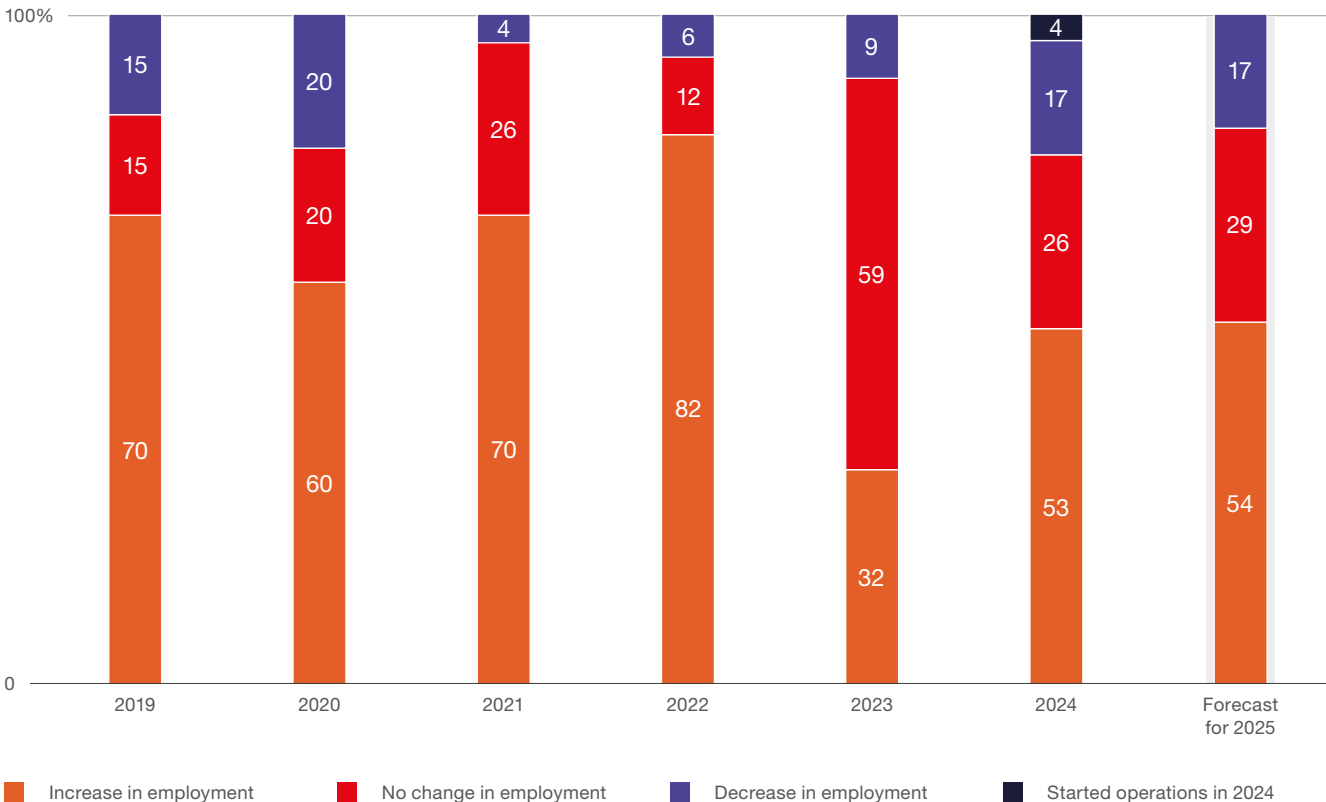


FIGURE 1.14 Headcount change dynamics from 2019 to 2025 (%)



When reviewing the expectations set by respondents at the beginning of 2024 regarding employment changes, 45% had planned for an increase in employment, while the rest foresaw stability or no significant change. However, actual data from 2024 reveals that employment growth exceeded expectations, reaching 53%. Conversely, only 25% experienced no change – lower than the anticipated 55% – while 17% reported a decrease.

This pattern of conservative forecasting is not unusual: historically, employment growth in Latvia's GBS sector has often outperformed initial projections, reflecting the industry's resilience and capacity for stronger-than-expected expansion.

Looking at recent trends, fluctuations in employment dynamics reflect broader economic conditions and organizational strategies. Notably, in 2022, despite regional uncertainty caused by Russia's invasion of Ukraine – leading to heightened geopolitical tension, economic volatility, and cautious business sentiment – 82% of companies still reported increased employment. This robust growth likely illustrates Latvia's resilience and ability to attract investments even in uncertain times.

Looking forward, optimism continues into 2025, with 54% of respondents forecasting further employment growth, 29% expecting stability, and only 17% anticipating a decrease. These expectations underline strong confidence in Latvia's GBS sector and suggest sustained investment in talent and business capabilities.

**FIGURE 1.15** | Measures introduced by companies to improve retention (%)



\* e.g. mobile apps access, video streaming subscriptions

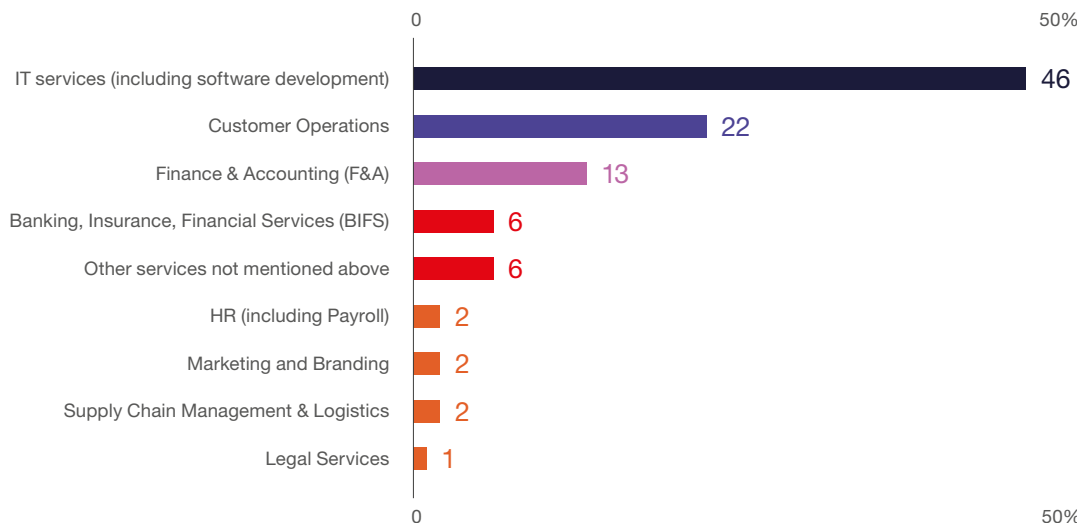
When looking at the actions organizations are undertaking to improve employee retention, it is clear that the main focus areas are closely connected to creating a positive, supportive, and growth-oriented work environment. The TOP 3 measures introduced

by companies are centered around enhancing employee engagement and experience (88%), building a strong company culture (83%), and supporting self-development and continuous learning (79%).

Additionally, psychological support and flexible work hours for a better work-life balance also rank high (75% each), showing that companies increasingly recognize the importance of mental well-being and work flexibility

as key elements in retaining talent. Overall, the strategies reflect a holistic approach where both professional growth and personal well-being are prioritized.

FIGURE 1.16 | Employment structure by business functions in 2024 (%)



Data collected from organizations who took part in this years survey shows that the majority of GBS industry professionals in their organizations in Latvia are employed in IT services, accounting for 46% of total employment. This substantial proportion highlights Latvia’s strong reputation and expertise in the technology sector, particularly in software development, cybersecurity, and IT support services. Additionally, Customer Operations is the second largest category, employing 22% of GBS professionals, reflecting Latvia’s appeal due to its multilingual workforce, strong communication skills, and strategic geographic position facilitating customer-centric services across Europe and beyond.

Finance & Accounting functions, accounting for 13%, also represent a significant employment area, underscoring the trust organizations have in Latvia’s talent for precision and compliance-oriented work. The lower percentages in areas such as Banking, Insurance, and Financial Services (BIFS),

HR (including payroll), Marketing, and Supply Chain Management could indicate niche specialization or emerging sectors with potential for future growth. Overall, this employment structure demonstrates Latvia’s evolving strengths and strategic positioning within the global business services market.

Looking at employment structure of Business Service Centers by job category, we can see that during the last six years amount of entry level and junior positions slowly decrease, last year it reached 17%, which indicates development of the centers and the complexity of services provided which is why we can see a gradual increase in senior specialists, experts, and managerial roles, reaching their highest level to date at 29% for senior specialists. This evolution reflects the increasing maturity and sophistication of Latvia’s GBS industry, suggesting that organizations are placing greater emphasis on experienced talent to manage complex operations, drive innovation, and enhance service quality.

FIGURE 1.17 | Employment structure of business services centers by job category (2019–2024) (%)

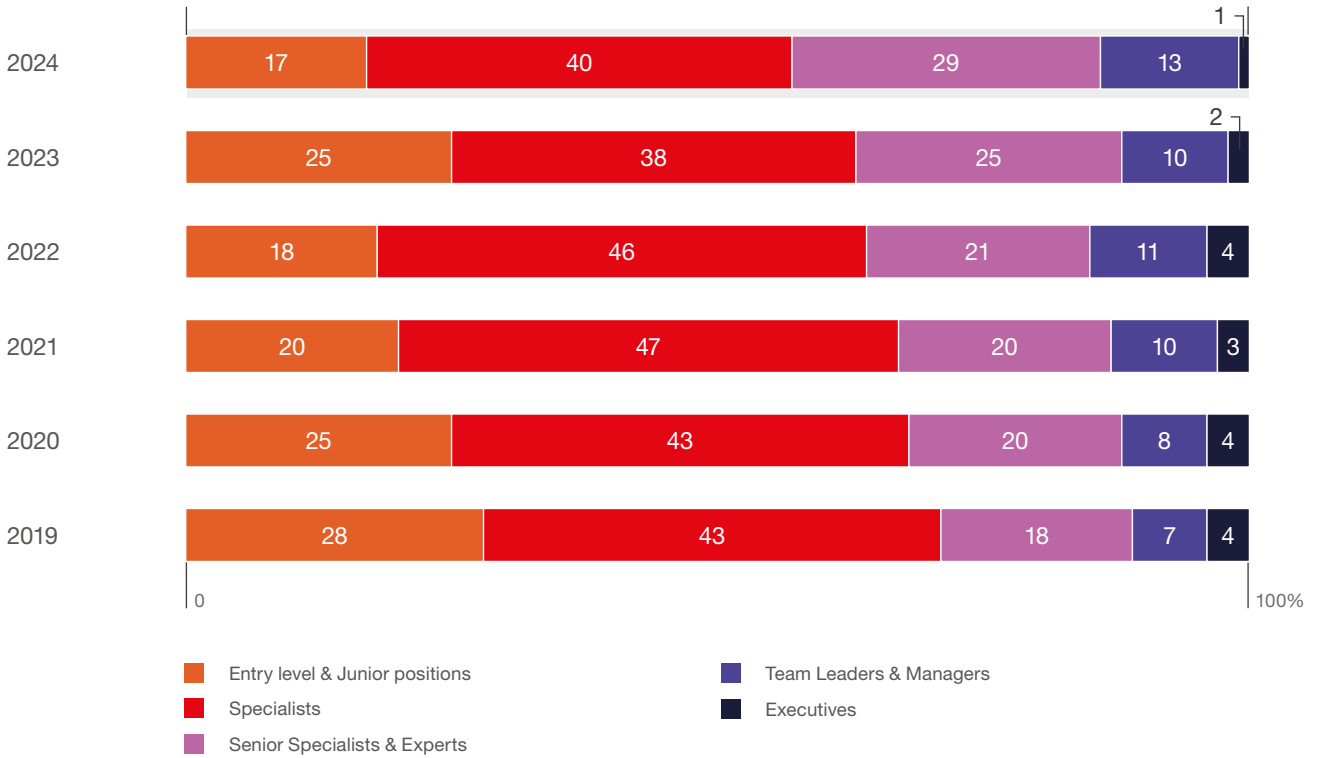
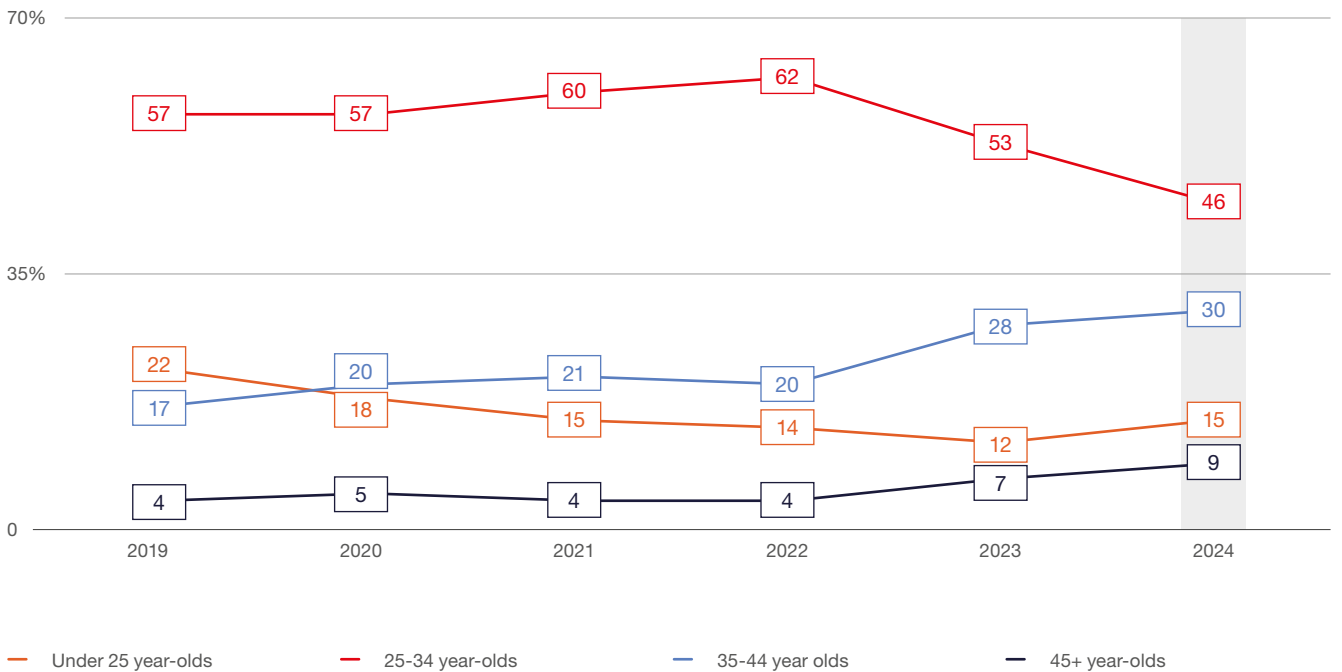


FIGURE 1.18 | The employment structure of business services centre by age of employees (%)

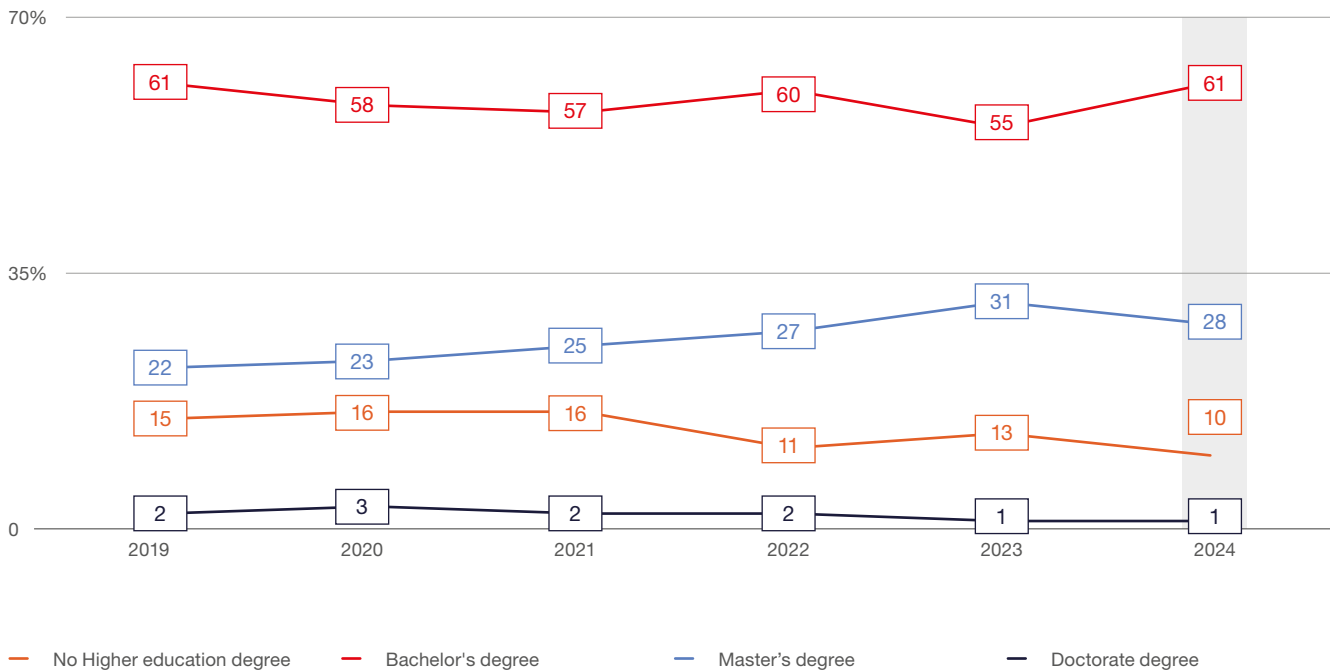




Even though the 25-34-year-old group remains dominant within the industry, there's a notable decline in its representation, dropping significantly from 62% in 2021 to 46% in 2024. Simultaneously, professionals aged 35-44 have steadily increased, reaching 30% in 2024. This trend, especially when viewed alongside the earlier data on seniority levels, suggests a maturing industry where more experienced professionals see opportunities for long-term career growth and development. As we saw earlier, organizations are growing and providing more services which in turn allows employees to develop their professional skills and enhances their growth.

Additionally, there has been a gradual yet consistent rise in professionals aged 45 and older, increasing from 4% in 2021 to 9% in 2024. This growth likely indicates greater retention of seasoned experts and managers, who bring stability, strategic insights, and valuable experience to the industry. Industry also appeals to recent graduates and younger professionals each year, as we can see that number for professionals who are under 25 years old for past years hovers around 15% which is because industry offers great opportunities for career advancement, professional development and diverse benefits.

**FIGURE 1.19** | Employment structure by level of education (2019–2024) (%)



This graphic shows that among the companies participating in this year's survey, the proportion of employees without a higher education degree remains low. Most employees hold Bachelor's or Master's degrees, while a smaller

portion even hold Doctoral degrees. This highlights the highly skilled workforce within the industry, capable of managing complex processes, leveraging deep expertise, and driving strategic initiatives.

FIGURE 1.20 | Employment structure by gender (%)

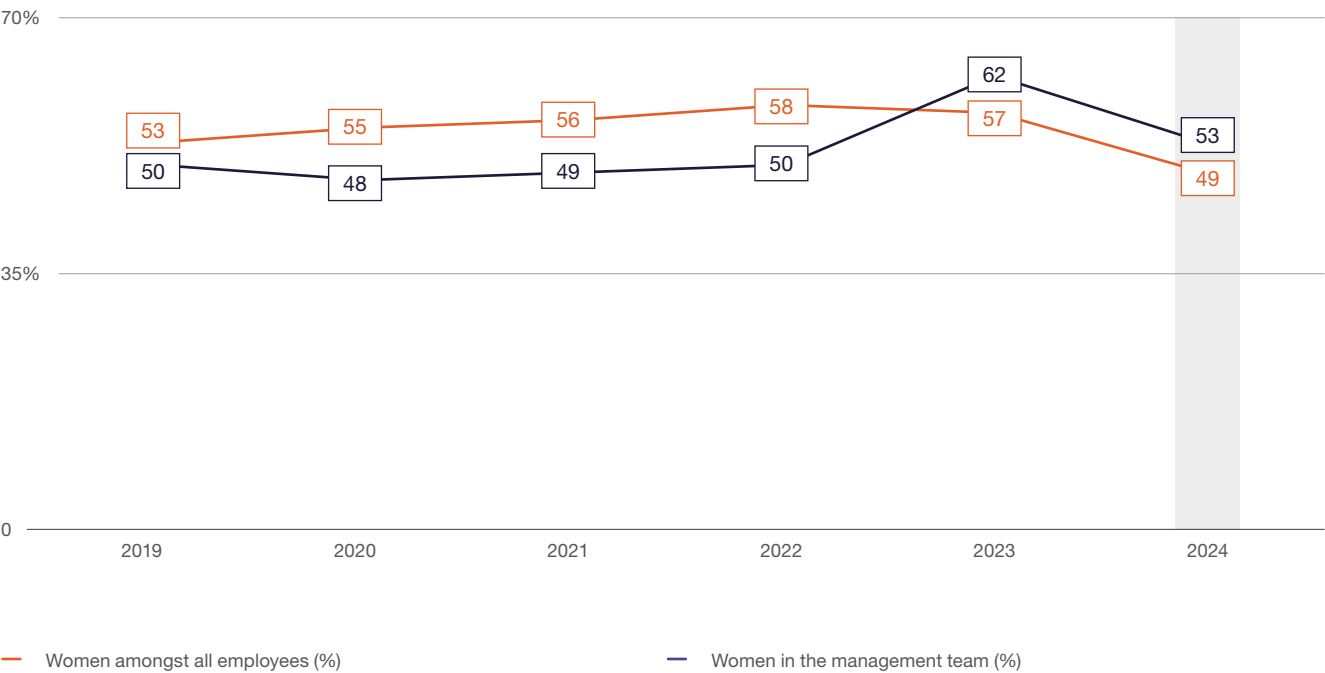
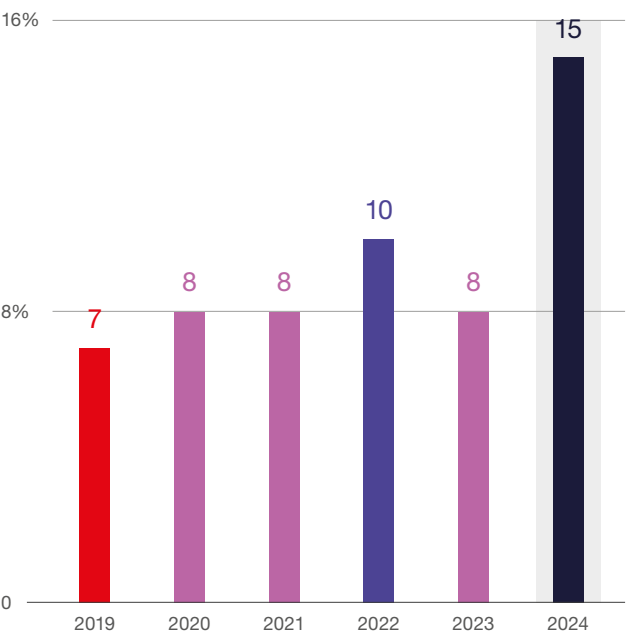


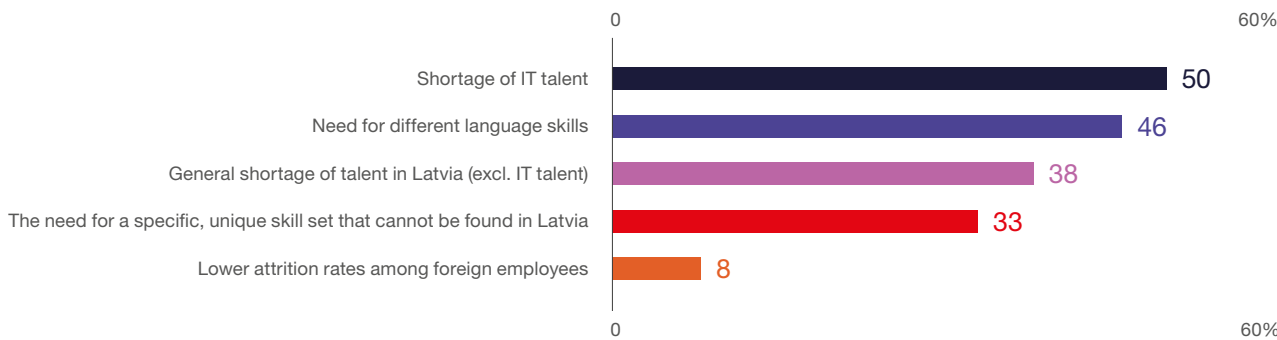
FIGURE 1.21 | Foreign employees working for industry organizations (2019–2024) (%)



As we have seen, among this year’s survey respondents were a lot of IT companies, which has historically been viewed more of a male dominated field, we can see that the gender balance within Latvia’s GBS industry remains notably strong, with near parity across both employment and leadership roles. This continued balance underscores the industry’s commitment to inclusivity and diversity, positioning Latvia as a positive example for other regions aiming to achieve greater gender equity.

In previous years, the average percentage of foreign employees working within the industry organizations showed minor fluctuations, generally hovering around 8%, however, in 2024 average reached 15%. This notable rise can be largely attributed to the higher proportion of organizations providing IT services among this year’s survey participants. IT service providers are known for actively recruiting talent from beyond national borders, often offering attractive relocation packages, such as support with relocation logistics, coverage of initial accommodation costs, and various additional benefits, making Latvia increasingly appealing to international professionals.

FIGURE 1.22 | Main factors motivating organizations to attract employees from other countries in 2024 (%)



The graphic above indicates the main factors for attracting employees from other countries for companies from this year's survey. Shortage of IT specialists can be observed all around the world

which is why 50% of respondents cited a shortage of IT specialists as their top reason, but as we saw from the previous table, only 15% of all employees in respondent organizations are foreign talent.

FIGURE 1.23 | Factors discouraging organization from recruiting foreigners (%)

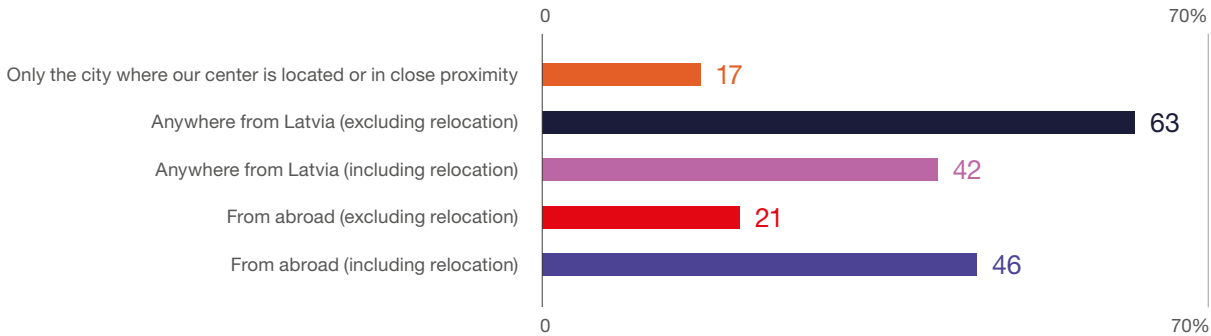


\* kindergarten, school, and apartments

When analyzing the factors discouraging organizations from recruiting foreign employees, the predominant reason cited by this year's respondents (73%) is the overall complexity, bureaucracy, and lengthiness of the hiring process. Additionally, 27% highlighted concerns about the additional burden associated with integrating foreign employees and their families into Latvian society, including securing kindergartens, schools, and housing. Meanwhile, a smaller

proportion (18%) indicated a lack of trust in long-term job relationships or simply felt no need to recruit internationally due to sufficient local talent availability. Interestingly, only 18% of respondents reported encountering no significant obstacles when hiring foreign employees, emphasizing the need for streamlining administrative processes and improving support systems to facilitate the recruitment of international talent.

FIGURE 1.24 | Industry's recruitment plans over next 12 months in terms of geographical coverage (%)



The figure above represents recruitment plans for the next 12 months for respondents of this year's survey, shows that each company has its own strategy for employee recruitment. We can see that almost 50% of respondents are offering relocation for their future employees both locally and from abroad.

Latvian GBS industry still isn't as saturated as it is in other countries. When asked whether competition between GBS, SSC, ITO, IF, and BPO centers on the

local labor market is a challenge for their company, some of the respondents agreed with this statement, but each of the organization has its own recruitment strategy. Differences may arise based on the specific talent profiles each company seeks – particularly in fields like IT, finance, or multilingual support where certain skills are scarcer. But this also benefits the market, as the skill set and competences amongst talent in the GBS industry is developing rapidly.

FIGURE 1.25 | Is competition between GBS, SSC, ITO, IF, BPO centres on the local labour market is a challenge for company? (%)

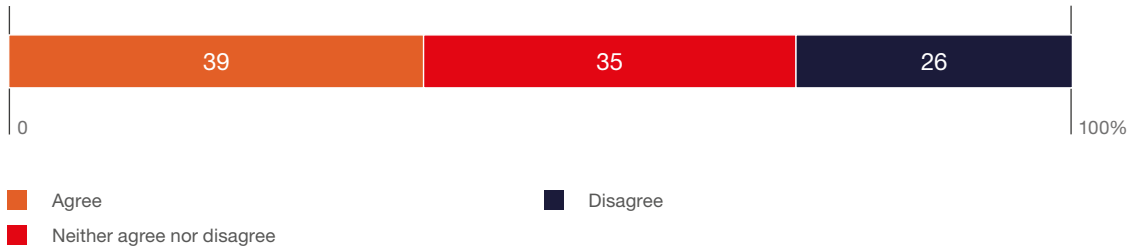
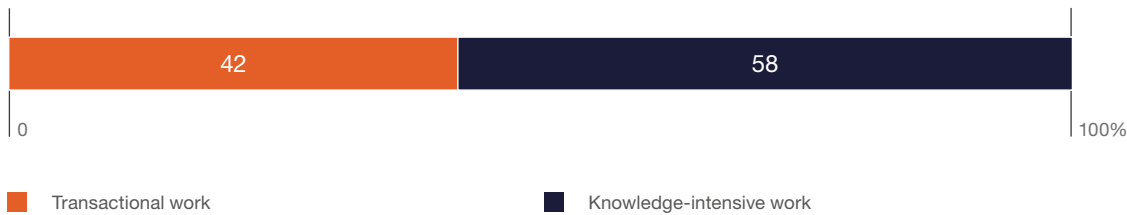


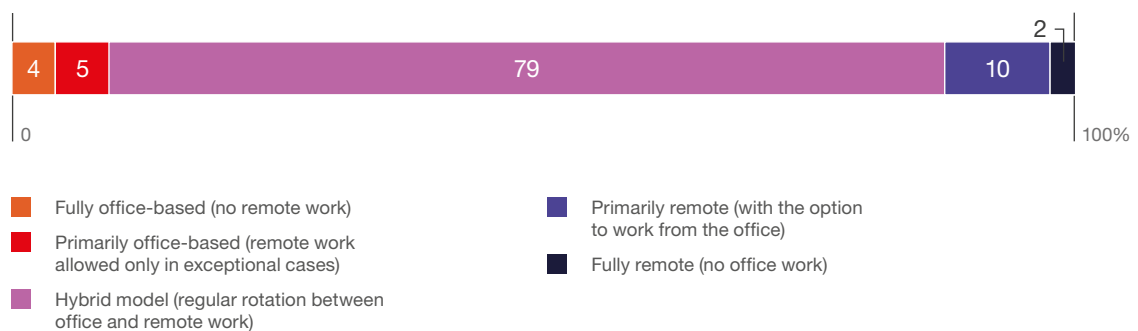
FIGURE 1.26 | Ratio of transactional work versus knowledge-intensive work in SSC / GBS, GPO, ITO organizations (2024) (%)



When it comes to the ratio of Transactional VS Knowledge intensive work, figure above shows that the industry in Latvia is predominantly focused on knowledge intensive work which accounts for almost 60%, though in the beginning the proportion was reversed leaning in favor of transactional work. Which shows that observed trend of highly educated employees in industry are more than evident.

The percentage of knowledge intense work shows the maturity of the industry in the country, where end-to-end processes are handled by employees, who are highly skilled and competent in their field, dealing with complicated functions such as compliance or IT.

**FIGURE 1.27** | Popularity of WFH model among industry organizations in 2024 (%)



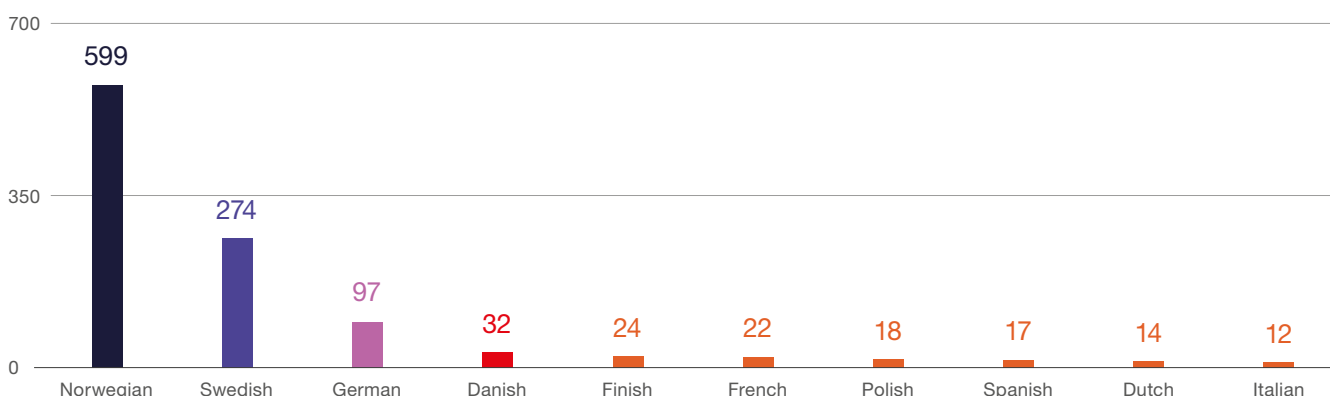
When reviewing the current working models within respondent companies – whether fully office-based, hybrid, or primarily remote – it is clear that the hybrid model remains the dominant approach, with 79% of organizations continuing to operate in a mixed model, typically allowing employees to work from home 2 to 3 days per week. However, compared to last year, the share of hybrid organizations has dropped by 7%.

Interestingly, there has been a shift toward more office-based setups: last year, none of the surveyed organizations reported being fully office-based or primarily office-based with remote work allowed

only in exceptional cases, whereas this year 4% said they are fully office-based and 5% that they are primarily office-based with remote work allowed in exceptional cases. Meanwhile, the proportion of organizations operating primarily remote models has increased slightly by 1%, but the share of fully remote organizations has decreased by 3%.

This suggests that, while flexibility remains a cornerstone, there is a gradual balancing act taking place between remote autonomy and in-office collaboration needs across the industry.

**FIGURE 1.28** | Foreign languages used by the industry (in actual numbers of FTEs) to serve the customers in 2024



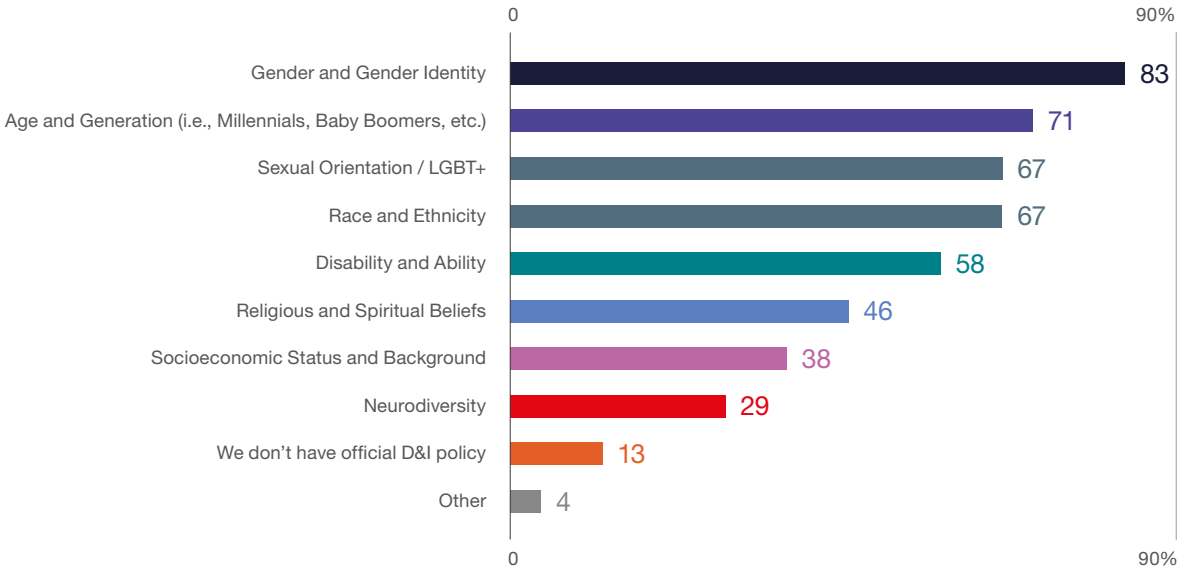
The *Figure 1.28* highlights the most frequently utilized foreign languages within the Latvian GBS industry, apart from English, which remains a fundamental requirement across all organizations. While there is a consistent presence of various languages year over year, Scandinavian languages – particularly Norwegian and Swedish – clearly stand out as the most demanded in the industry.

When comparing the 2024 data to the previous year, we see a significant increase in the actual numbers of professionals proficient in these languages. Specifically, Norwegian speakers increased from

502 last year to 599 this year, while Swedish speakers saw an even more remarkable growth from 71 to 274. This substantial rise in Swedish language requirements underlines a growing trend of servicing Swedish-speaking markets and clients, aligning with the previously noted popularity of Sweden as a serviced country.

To meet these linguistic demands, many organizations actively support language skill development, offering fully funded language training programs to employees. This strategic investment not only enhances operational capabilities but also positions Latvia as a competitive location for serving diverse international markets.

**FIGURE 1.29** | The main focus areas of diversity & inclusion policies / programs implemented by the industry in 2024 (%)



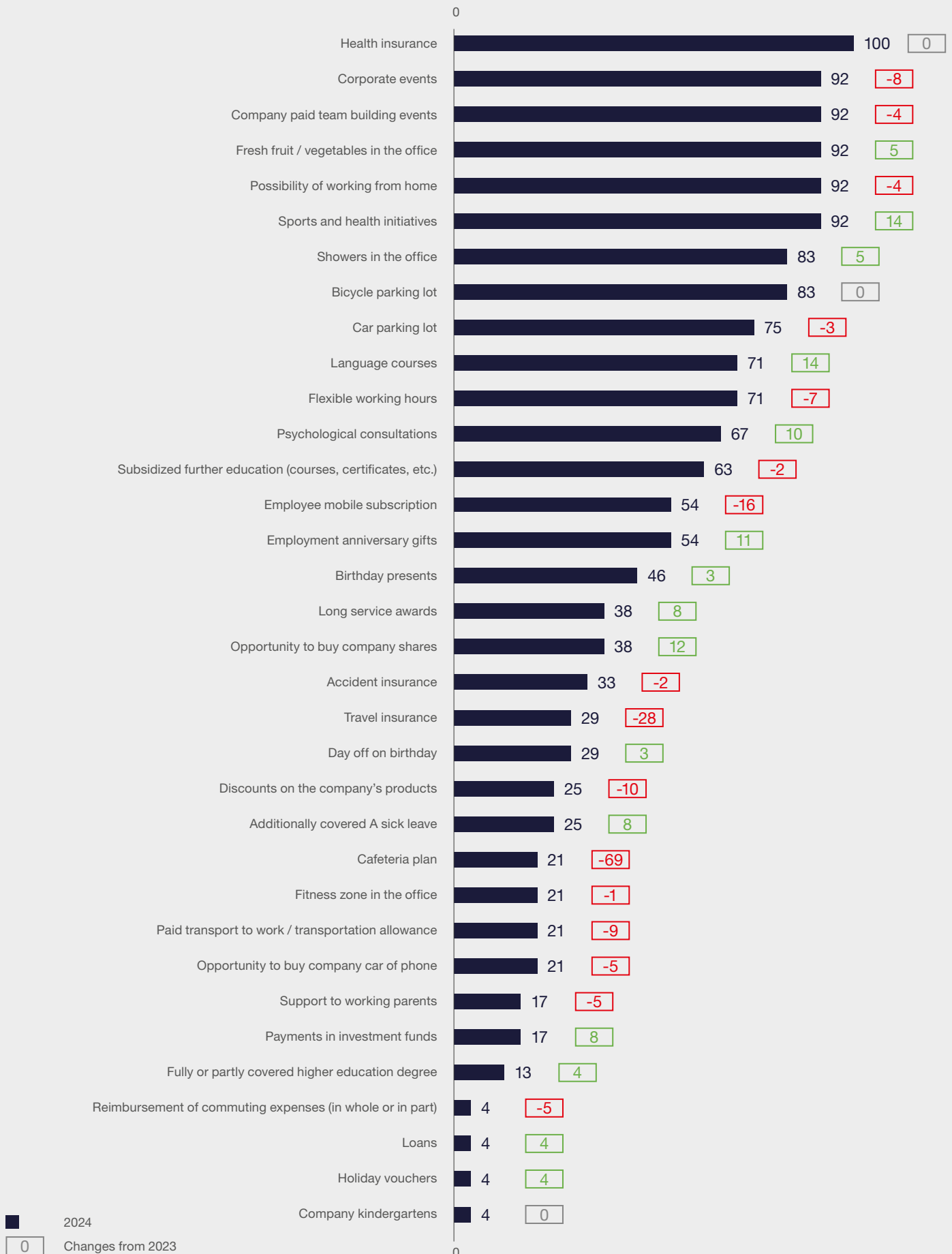
Looking at the Diversity and Inclusion (D&I) programs implemented across the industry, we can observe a positive trend toward greater inclusivity. The share of organizations without an official D&I policy has dropped significantly from 27% in 2023 to 13% in 2024, highlighting increased commitment toward structured inclusivity efforts. And even though, neurodiversity was not inquired in the previous surveys, we can see that almost third of organizations are including it D&I policies.

Across all focus areas, there has been an increase compared to 2023, demonstrating that industry organizations are proactively improving their policies

to better support employee wellbeing and foster a more inclusive workplace environment. The most notable growth can be seen in policies focused on age and generational inclusion, indicating a stronger emphasis on creating environments where individuals from any generation – whether millennials, Gen Z, Gen X, or baby boomers – feel valued, supported, and empowered to grow professionally, regardless of age.

This widespread improvement reflects a broader cultural shift within the sector, emphasizing the importance of equity, respect, and opportunity across all dimensions of diversity.

FIGURE 1.30 | Non-payroll benefits &amp; allowances offered to employees in 2024 (%)

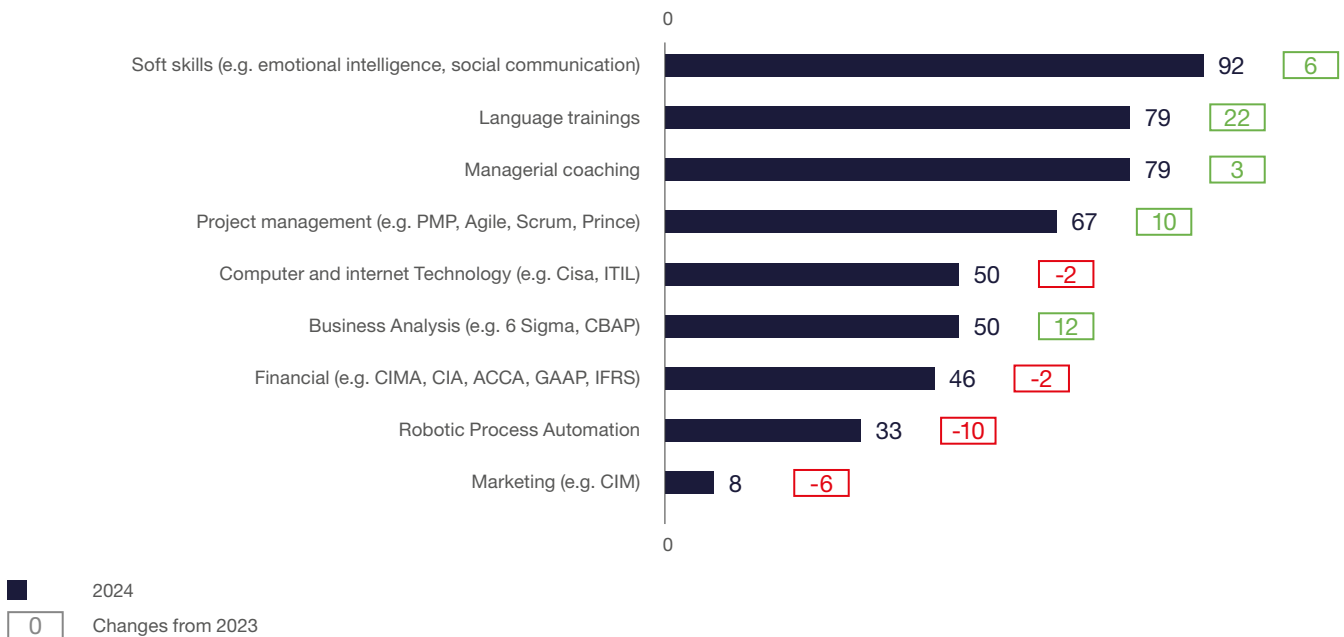


When it comes to non-wage benefits offered to employees, the data shows that organizations in the industry provide a wide and dynamic range of perks, which are frequently updated to match employee needs and preferences.

For instance, while there has been a slight decrease in the offering of full work-from-home possibilities compared to last year, we simultaneously observe an increase in benefits that enhance the in-office experience, such as fresh fruits and vegetables and cafeteria plans.

This shift suggests that while hybrid and remote work remain important, companies are also investing more in creating attractive, supportive, and healthy office environments for those who do come on-site. Overall, the industry's benefit offerings continue to evolve, aiming to balance flexibility, wellbeing, and engagement across different working models.




**FIGURE 1.31** | Types of professional training provided by respondents to employees in 2024 in comparison to 2023 (%)



When looking at the types of professional training provided by organizations, we see that organizations continue to provide wide range of opportunities for their employees to gain new knowledge and develop their skills. Which is more, trainings provided are future based, ensuring that employees are able to gain critical skills that will be needed more and more in the future.



FIGURE 1.32 | Average gross salary (Euro) levels in most popular business support functions in 2024

	 IT	 Finance	 Operational
Junior level	1914	1590	1433
Middle level	2916	2145	2085
Expert, Manager level	4300	3219	3294

In 2023, the average salary in the GBS sector was €2400 before taxes. Based on data collected in this year’s survey, the 2024 average salary has risen to €2560 before taxes – reflecting a steady year-on-year increase of 6.67%. This mirrors the salary growth trend observed last year and indicates a continued stability in compensation development within the industry.

While the national average salary in Latvia reached €1685 before taxes in 2024<sup>3</sup> – a 9.7% increase over 2023 (slightly lower than the 11.9% increase seen between 2022 and 2023) – the GBS sector continues to maintain a significantly higher wage level than the country’s average. While the percentage increase in the GBS sector is slightly more modest than the national average, salaries remain significantly higher, reinforcing the sector’s stability and strong contribution to Latvia’s economy.

When broken down by role and function, the highest average salaries remain in the IT field, where expert and managerial-level employees earn around €4300, while junior-level IT roles start at approximately €1914. In contrast, Finance and Operational roles show lower salary ranges at each level, with junior roles averaging €1590 and €1433 respectively, and expert-level roles ranging between €3219–€3294.

This gap highlights the continued strong demand for IT talent, while also underscoring the GBS sector’s ability to offer competitive compensation across a broad range of functions. By creating high-value job opportunities and paying above-average salaries, the sector makes a significant contribution to local communities through taxes and wider economic activity.

<sup>3</sup> <https://www.csp.gov.lv/lv/jaunums/2024-gada-videja-alga-pirms-nodoklu-nomaksas-1-685-eiro-menesi>



# Use of programming language and IT technologies

Figure below shows the most popular programming languages used in the respondents organizations.

When looking at process automation levels within respondent organizations, we can see that currently more than 50% has a high or moderate level of process automatization, and little less than 50% see potential for process automatization. Looking forward to the next five years, respondents clearly anticipate significant progress in this area. More than half (55%) aim to reach a moderate level of automation, and over one-third (41%) expect to achieve high levels of automation. Notably, the proportion of companies that foresee remaining at a low automation level drops dramatically to under 5%.

This ambitious outlook reflects a clear industry-wide emphasis on digital transformation and increased efficiency, driven by ongoing technological advancements and competitive pressures to optimize operational performance.

FIGURE 1.33

**Current level of automation of processes vs expectations in five years (%)**

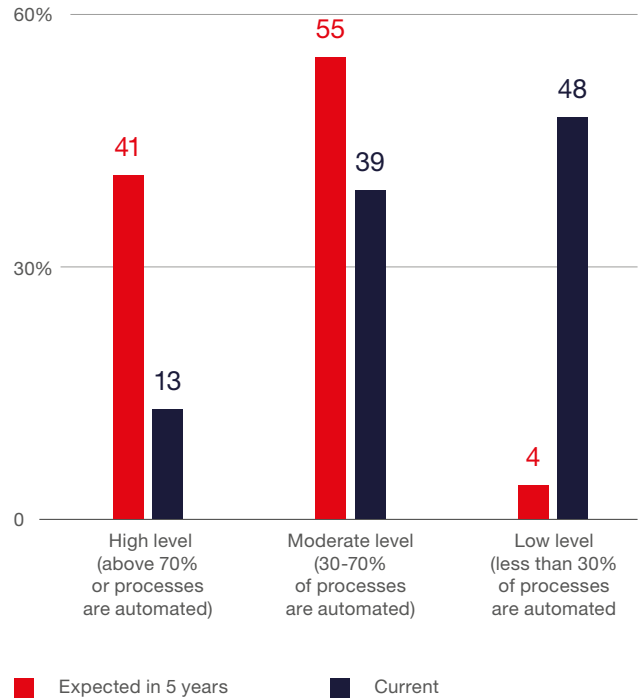


FIGURE 1.34

**Top programming languages used by industry in 2024 (%)**

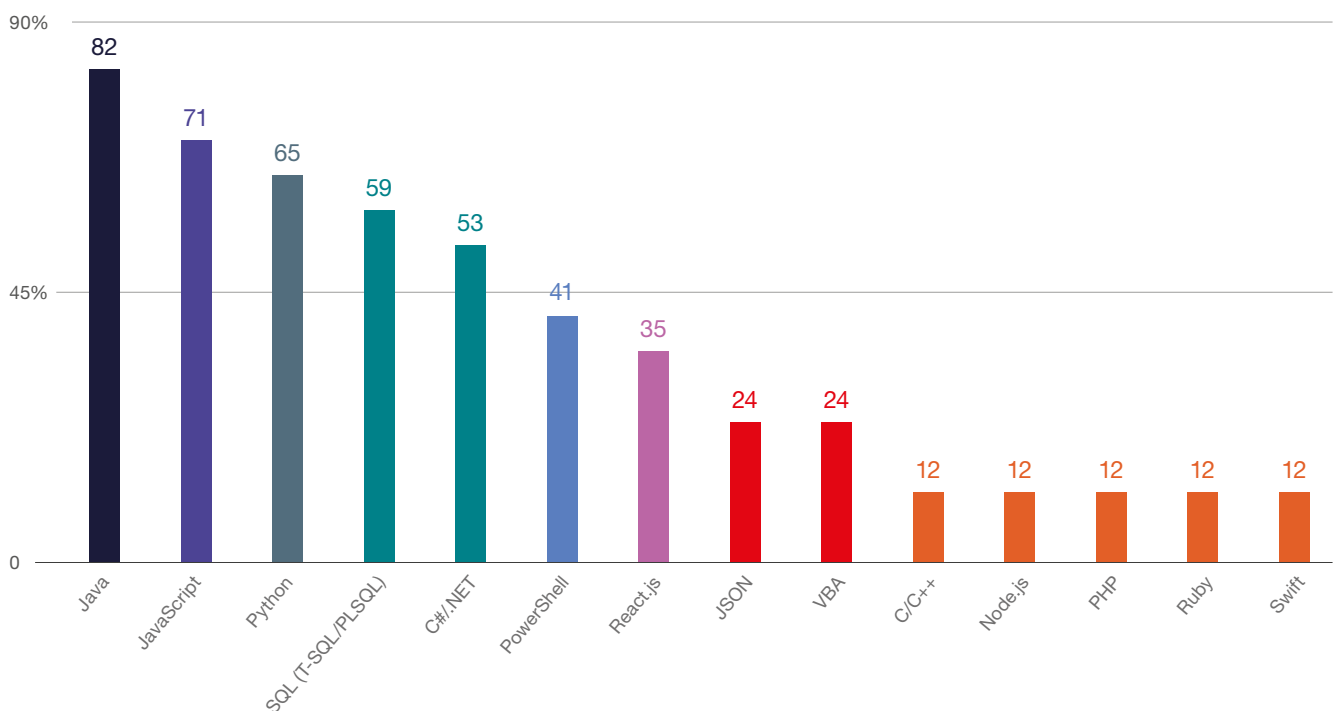
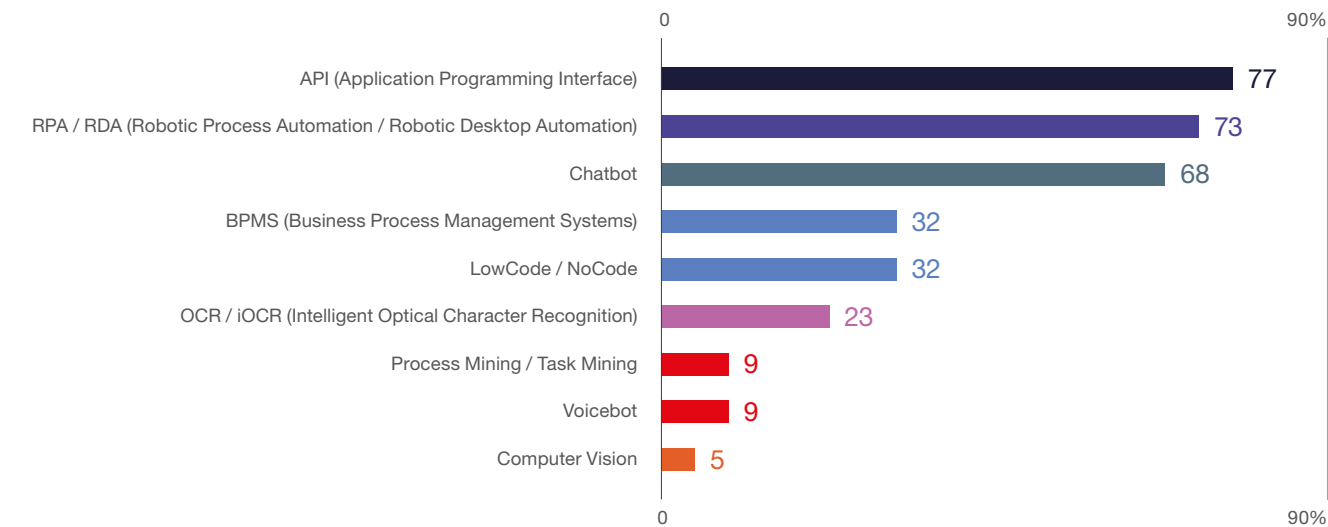


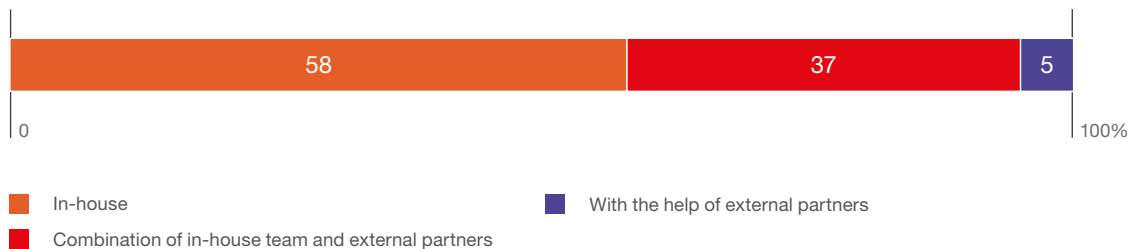
FIGURE 1.35 | Intelligent process automation (IPA) technologies utilized by industry in 2024 (%)



Beyond that, the most widely adopted Intelligent Process Automation (IPA) technology in 2024 is API (Application Programming Interface), utilized by 77% of responding organizations. API technologies have shown significant growth compared to last year when their adoption rate was 60%. RPA/RDA (Robotic Process Automation / Robotic Desktop Automation) remains among the leading technologies, now used by 73%, though this represents a decrease compared to last year's 87%. Chatbots hold a steady position within the top three technologies, currently utilized by 68% of organizations, showing a slight increase from last year's 67%.

Technologies such as BPMS (Business Process Management Systems) and Lowcode/Nocode solutions are also gaining ground, each being employed by nearly one-third (32%) of respondents. This illustrates the ongoing trend of adopting user-friendly tools that reduce the barrier to process automation and digital transformation. Meanwhile, more niche technologies like OCR/iOCR (Optical Character Recognition) and process mining have lower but stable adoption rates, underscoring their targeted application in specialized business processes.

FIGURE 1.36 | Robotic process automation (RPA) capabilities developed in industry organizations (%)



According to this year's survey, the majority (58%) of respondents are developing their Robotic Process Automation (RPA) capabilities entirely in-house, highlighting a strong internal focus on automation competencies. Meanwhile, 37% of the organizations use a hybrid approach, combining internal expertise with support from external partners. A much smaller proportion – just 5% – fully relies on external partners

to develop these capabilities. Additionally, several organizations noted that although their RPA capabilities are developed internally, the development itself is conducted in other locations outside Latvia. This suggests that global or regional centers often lead such technological initiatives, reflecting centralized decision-making and capability development models within international companies.

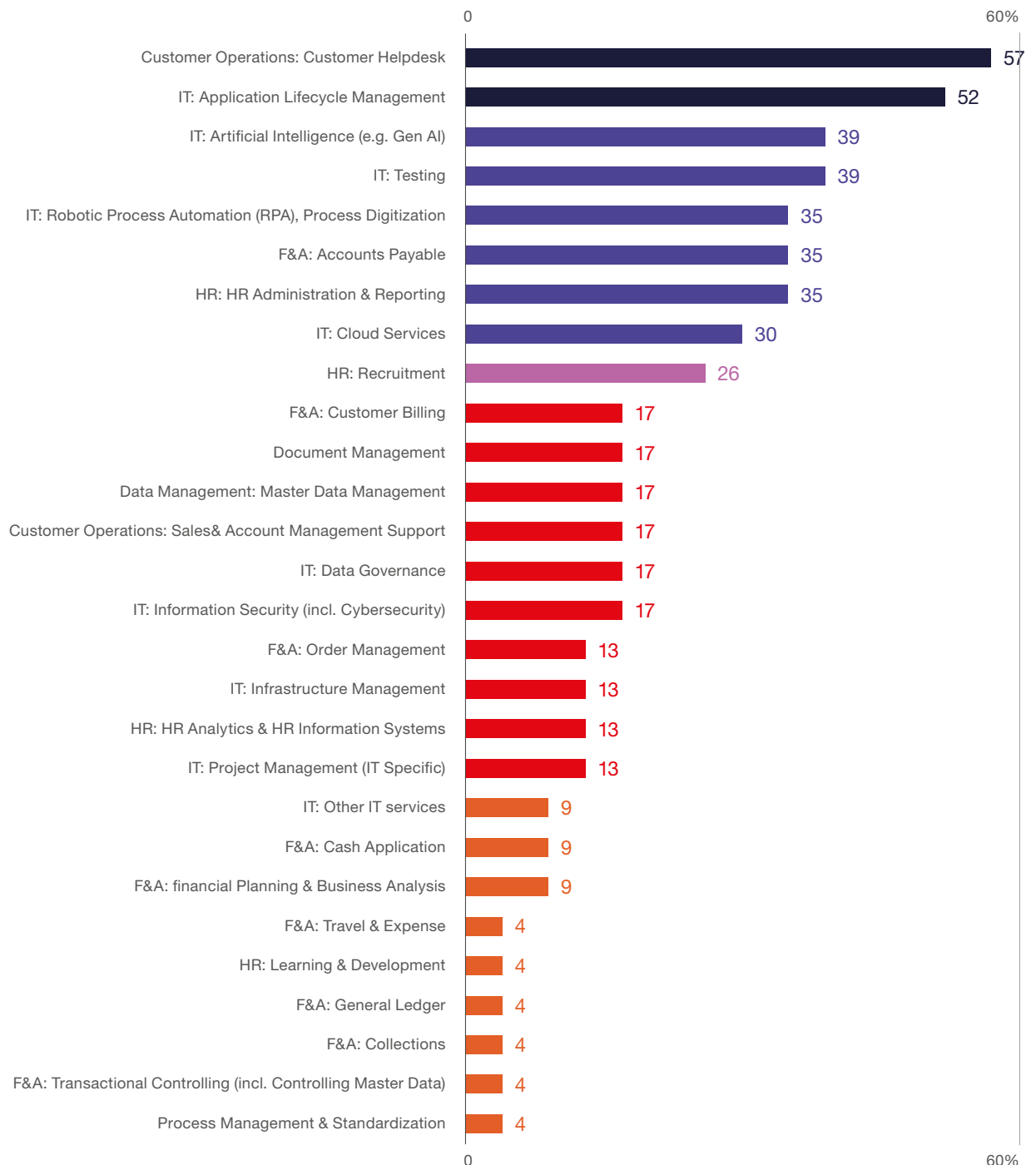
This year, 65% of respondents indicated that they view the development of AI within their centers as an opportunity, with 35% even describing it as a significant opportunity. Notably, none of the respondents expressed concern that AI should be seen as a threat.

The *Figure 1.37* illustrates the current areas where AI is utilized across organizations. More than half of the respondents reported the use of AI in user support, service desks, and customer help desks, confirming that AI is already playing a critical role

in enhancing operational efficiency and customer experience. Additionally, more than one-third of participants are leveraging AI in various IT functions, such as application testing and application lifecycle management, as well as within finance processes like accounts payable and process digitization.

These trends suggest that AI adoption is not only expanding but becoming more embedded in core support and operational processes across the GBS sector in Latvia.

**FIGURE 1.37** | **Processes where AI is currently utilized (%)**



# Business environment in Riga

The graph below illustrates how satisfied the industry is with various factors related to the business environment in Riga in 2024 compared to 2023.

We can see that for the second consecutive year, overall satisfaction with Riga as a city for business activity remains at the maximum level of 100%,

highlighting its continued strength as a GBS location. Several key areas show improvement compared to last year, for example the quality of public transportation, cooperation with local universities, and the legal and tax environment, reflecting positive development efforts in the city's business infrastructure.

Overall, the results reflect a strong, stable satisfaction level with core infrastructure and quality of life but respondents also indicate areas for improvement to support future growth.

**FIGURE 1.38** | Industry's overall satisfaction related to business environment in Riga in 2024 comparison to 2023 (%)

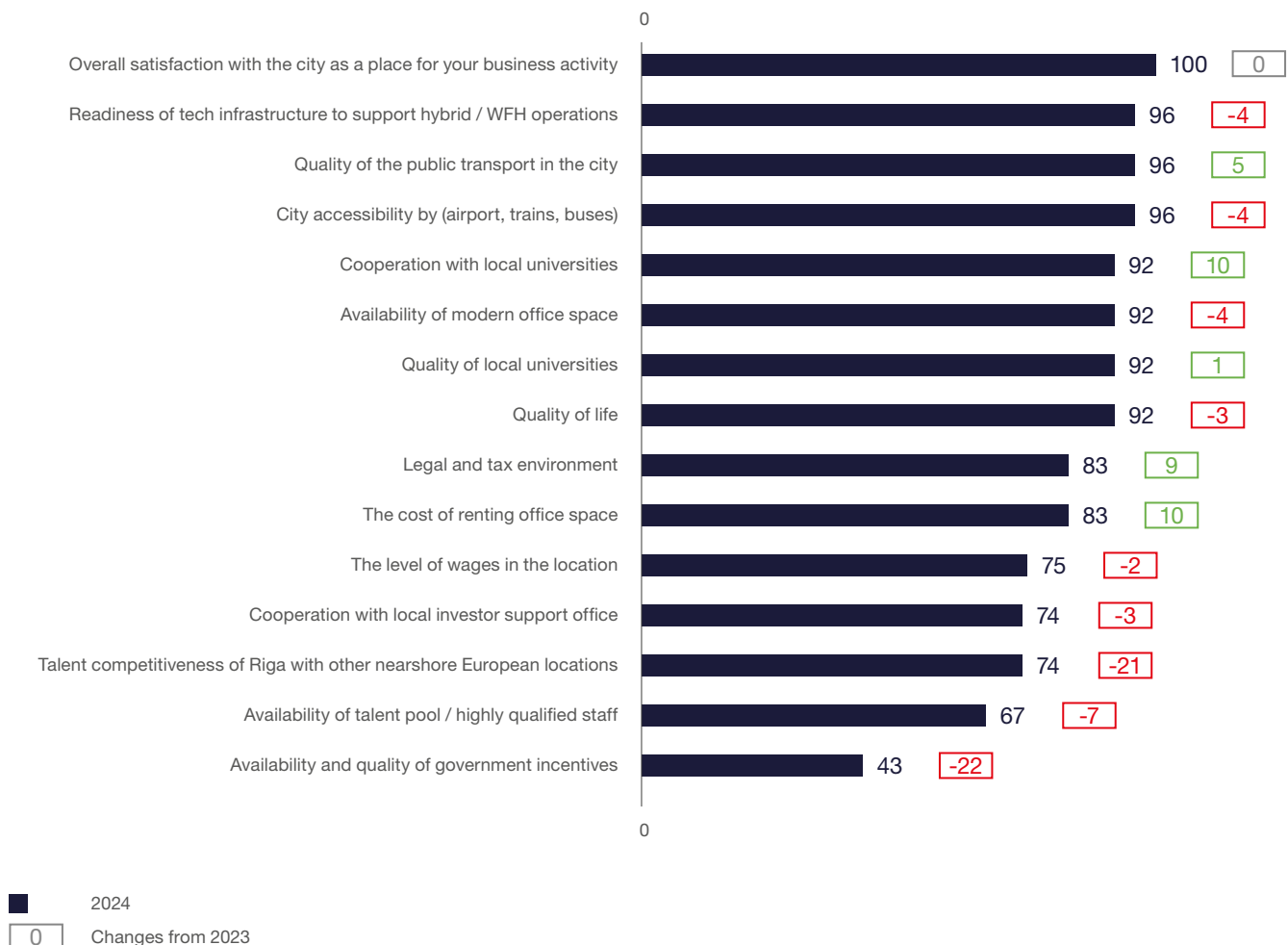
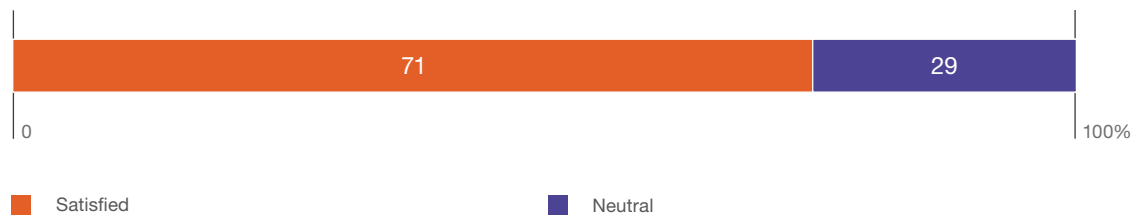




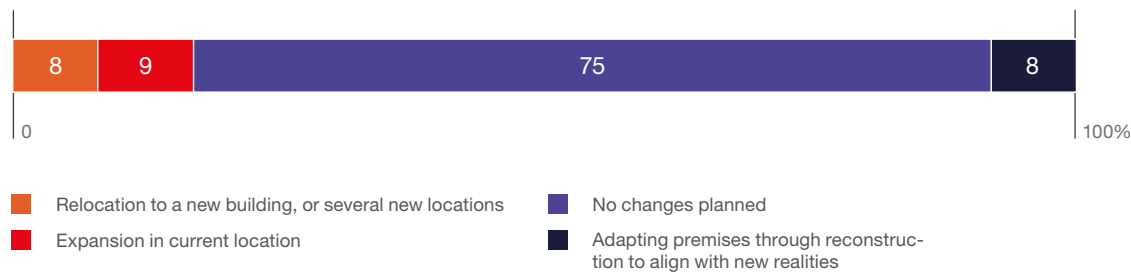
FIGURE 1.39 | How satisfied are you with the overall ease of doing business in Riga? (%)



While there are still areas where further improvements could be made to better support businesses, the overall sentiment remains positive. Almost three-quarters of respondents (71%) stated that they are satisfied with the overall ease of doing business in Riga. Meanwhile, 29% expressed a neutral stance, suggesting that although satisfaction is strong, there is still room for further enhancements in the business environment to fully meet the needs of all companies.

GBS industry is one of the driving forces for real estate markets, as organizations are the largest tenants of A class office spaces. In recent years many organizations moved to new offices which is why 75% indicated that currently they do not plan to relocate in 2025. We can see that 17% of respondents are planning relocation to new office premises or expansion of current location, but 8% plans to adapt existing premises to align with new realities.

FIGURE 1.40 | Industry's plans for currently leased / owned office premises for 2025 (%)





## ESG strategy in GBS industry

When it comes to ESG strategy, 96% of all respondents admitted they have implemented one, with 88% indicating that it is a global or regional strategy. Only 4% reported not having an ESG strategy in place.

Actions undertaken within companies' ESG strategies vary, but the most significant focus areas are those connected to environmental sustainability. The top three activities are: reduction of waste, increasing employee awareness about sustainable actions and their impacts, and adopting energy-efficient equipment and technologies. These results demonstrate that the industry is not only aware of its environmental responsibilities but is also actively working toward tangible and measurable sustainability goals.

FIGURE 1.41 Existing ESG strategy in companies in 2024 (%)

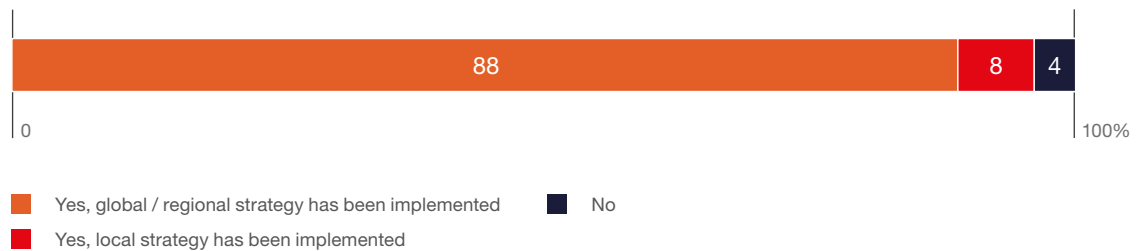
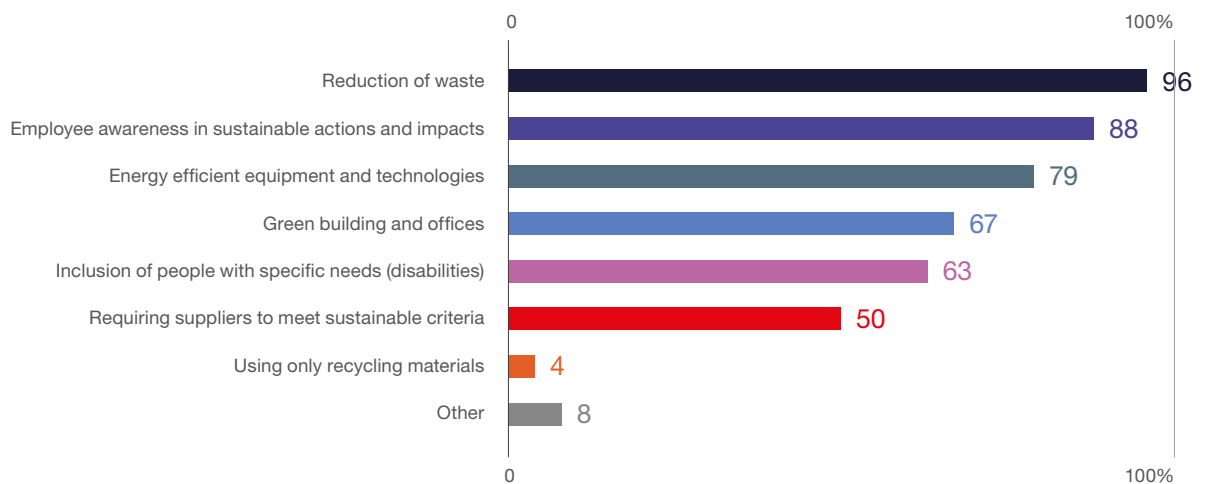


FIGURE 1.42 Undertaken actions within ESG Strategy (%)







# 2



## THE MODERN EMPLOYEE IN AN ERA OF CHANGE: WHAT REALLY MOTIVATES THEM?



**Polina Nazarova**

Baltic Head Of Administration,  
Deloitte



**Elina Putnina**

Tax Director,  
Deloitte

**GBS is truly a talent driven business and hence understanding what motivates employees is paramount to increasing retention, improving culture and overall employee satisfaction.** Based on insights from nearly 13,000 business and HR leaders, Deloitte's 2025 Global Human

Capital Trends report explores the evolving relationship between workers and organizations in a world of constant disruption. As Artificial Intelligence (AI) reshapes jobs and expectations shift, companies must rethink how they support, motivate, and empower their people.

## Worker stability v. organizational agility

A strong connection between worker and organization – one that drives positive human and business outcomes – depends on a certain amount of shared, solid ground. But as the nature of work changes at speed and scale, much of that stable ground is eroding. Today's workers are being asked to learn new skills and ways of working, adapt to new technologies, and pivot in response to unexpected change. Many workers are struggling to adjust to these changes. About two-thirds of workers globally are overwhelmed by how quickly work is changing, and 49% are worried that the pace of change will leave them behind, leading to 75% of workers stating that they are hoping for greater stability at work in the future. However, 85% of leaders say that organizations need to create more agile ways of organizing work to swiftly adapt to market changes. There is a fundamental disconnect between executives and workers on this matter, that can be solved with more discussion and explanation of the concerns (from the workers perspective) and business needs (from the executives perspective).

Canadian law firm **The Ross Firm Professional Corporation** successfully implemented a four-day workweek thanks to AI solutions that improved work efficiency and allowed employees to maintain a better work-life balance.

## Artificial intelligence as a part of the modern “employee value proposition”

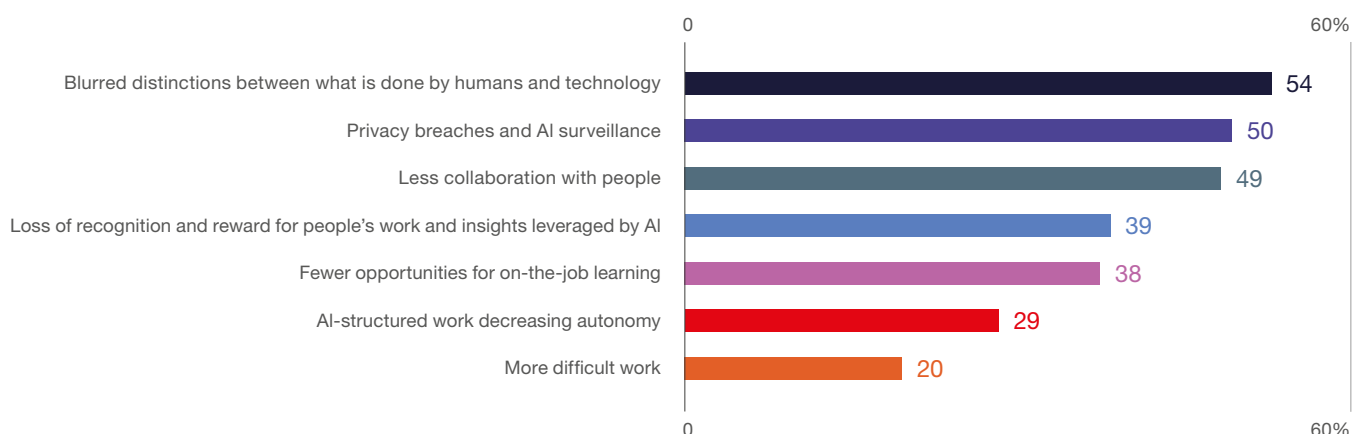
As employees increasingly use AI, it's changing their experience at work in unexpected and subtle ways. It's hard to find an office employee who haven't tried AI tools and although it is clear that AI tools are able to significantly help with repetitive tasks, there are still a lot of concerns with regards to potential AI impacts and the risks associated with it.

Human/AI collaboration is an increasingly important part of the modern “employee value proposition” (EVP) – the reasons people choose to work for and stay at a company as over 70% of managers and specialists are more likely to join and stay with an organization if its EVP helps them thrive in an AI-driven world.

Examples of how other companies have implemented AI in their EVP:

**Amazon** uses AI solutions to provide personalized development for each employee. The company offers an AI-powered “personal coach” who provides continuous feedback and development recommendations based on the experiences and assessments of other employees.

FIGURE 2.1 | Top concerns about the potential silent impacts of AI (%)



## What motivates your people?

One-size-fits-all experiences fail to boost employees' performance and business growth. Organizations often struggle to align employees' motivations due to rigid structures, siloed HR decisions, outdated performance metrics, and insufficient personalization. 78% of talent pool have clarity as to what motivates them personally, but only 33% strongly believe their organizations and managers understand their motivations. Of those surveyed, financial compensation is cited as the main motivating factor by 34%, followed by job security (23%) and teamwork (22%). Of course, motivation factors are changing over time and with employees getting more experience and knowledge. First-entry to the job market would be most interested in gaining new knowledge and experience, but more seasoned professionals are motivated by reaching certain challenging goals.

## Is there still value in the role of managers?

In any talent driven business managers play pivotal role in success of the organization, helping their team learn, progress and become more efficient. Unfortunately, quite often this is not the major priority for team leads. They have too much administrative work, spend nearly 40% of their time on solving problems of today (firefighting), with only 13% of their time spent developing the people who work in their teams. For successful people management though, organizations should consider having managers focus most on:

**Developing, coaching, and nurturing people;**

**Optimizing human and machine interactions;**

**Enabling agility and strategic problem-solving.**

FIGURE 2.2 | xxxx (%)



\* greater influence over intersection of work and life, flexible hours, or remote work









# GENERAL COMPENSATION SURVEY: GBS SECTOR

**Figure Baltic Advisory is the leading labour market research and consulting agency in the Baltics. Since 2007, we have been conducting salary surveys and consulting clients on related matters successfully across all three Baltic countries. Previously, Figure operated under the name Fontes in Estonia and Latvia, while in Lithuania, our surveys were conducted under the brand Baltic Salary Survey.**

This year marks the 30th season of the Compensation Survey in Latvia. A large and diverse survey sample provides detailed insights into compensation practices and salary levels across a wide range of roles and functions. Our people offer local, timely support in effectively applying the data and developing salary structures. In addition, we provide guidance and calculations to ensure compliance with the requirements of the upcoming EU Pay Transparency Directive.

Further below, selected data from the General Compensation Survey conducted in 2024 are presented. In 2025, a GBS sector-specific survey is also planned. Participation through data submission is open from the beginning of April until mid-July. The results of the General Compensation Survey will be available on August 21, and GBS Sector survey will be published on September 18.

To participate or if you have any questions, please do not hesitate to contact us:

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[info@figure.lv](mailto:info@figure.lv)

The Figure General Compensation Survey 2024 includes data from 416 organisations, with 96,240 positions analysed. In GBS Sector special cut, data from 18 organisations are included, covering 6,942 positions. Compensation data were collected as of June 2024.

## Salary Changes

Average salary changes for employees whose employment status, job position, official duties, and responsibilities have remained unchanged over the past 12 months.

In 2024, salary increases on average remained high, influenced by the lingering effects of previously elevated inflation, both in the overall labour market and within the GBS sector. However, the pace of salary growth has slowed and is expected to continue declining.

	General Market	GBS Sector
Monthly Base Salary	8.2%	8.3%
Annual Total Cash	9.8%	10.9%

## Forecasted Salary Changes

The 2025 salary reviews indeed indicate more modest increases; however, these will be applied on a highly individual basis, taking into account the availability of relevant competencies in the market, and the importance of maintaining internal pay equity, also to comply with the requirements of the EU Pay Transparency Directive.

	General Market		GBS Sector	
	Monthly Base Salary	Annual Total Cash	Monthly Base Salary	Annual Total Cash
Till May 2025	5.6%	5.4%	6.9%	5.9%
2025	5.3%	5.3%	6.0%	6.3%
2026	5.2%	5.3%	5.9%	5.8%

## Comparison of the GBS Sector with the General Market

Please refer to these employee groups, categorised by relative point value, in the following graphs:

Overall, base salary levels in the GBS sector are slightly higher than those in the general labour market. However, in terms of annual total cash, the levels are more balanced, indicating a higher proportion of variable pay components available in the general market jobs.

Employee Group	Points
Junior specialists	79-159
Specialists	160-243
Senior specialists	244-370
Managers, Experts	371-565
Function managers	566-750

FIGURE 3.1 | Monthly Base Salary

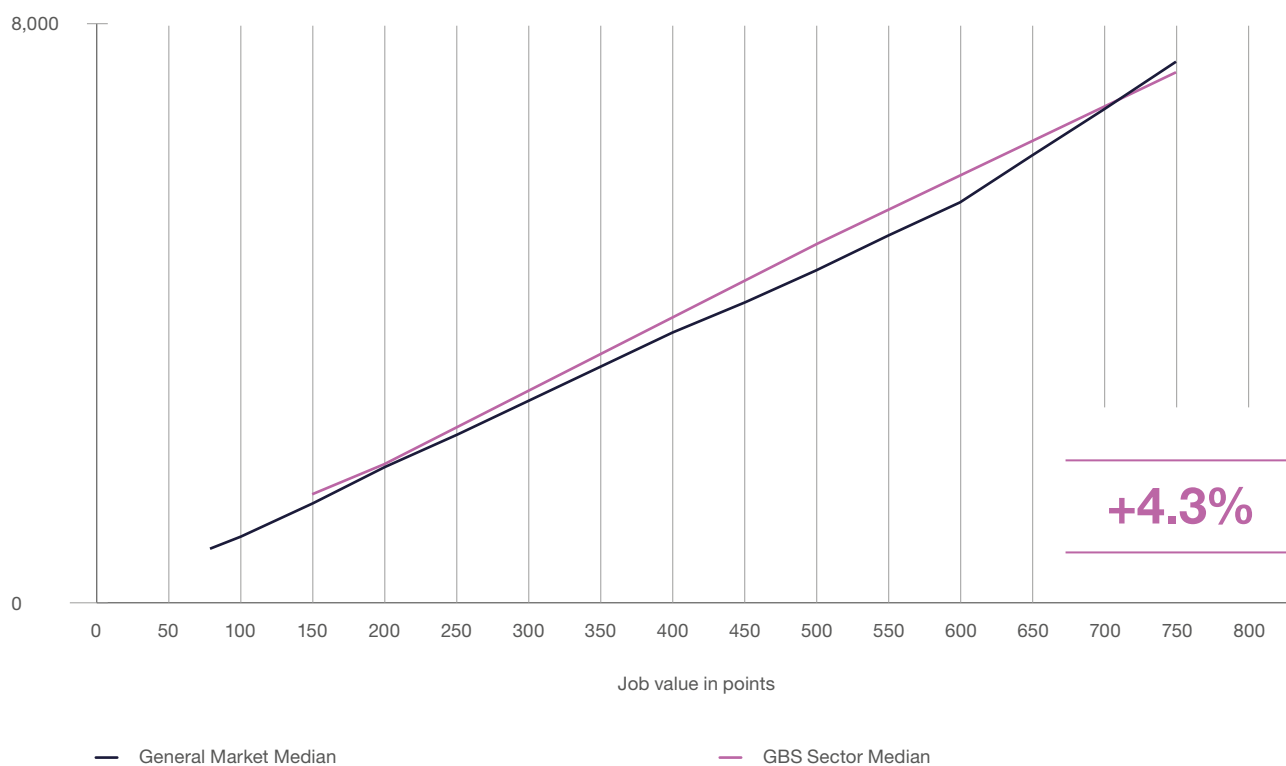
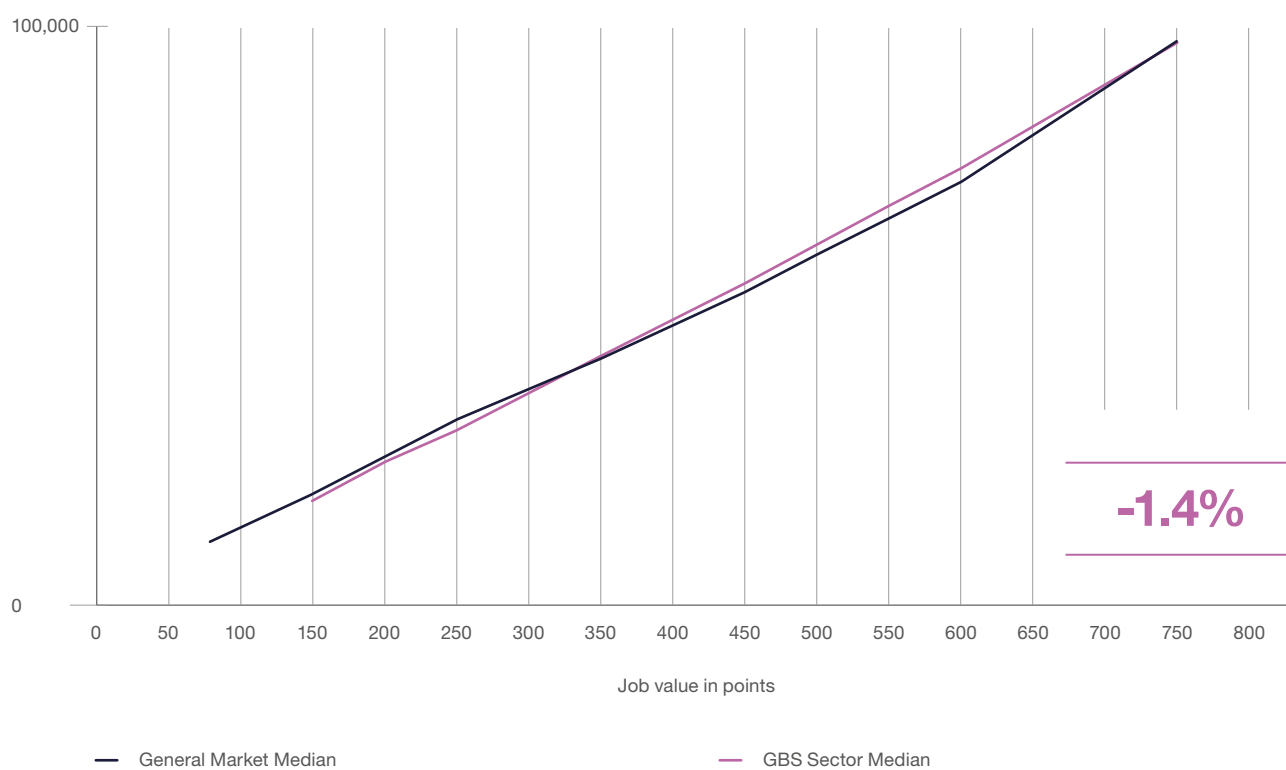


FIGURE 3.2 | Annual Total Cash



## GBS Sector

# Gender Pay gap

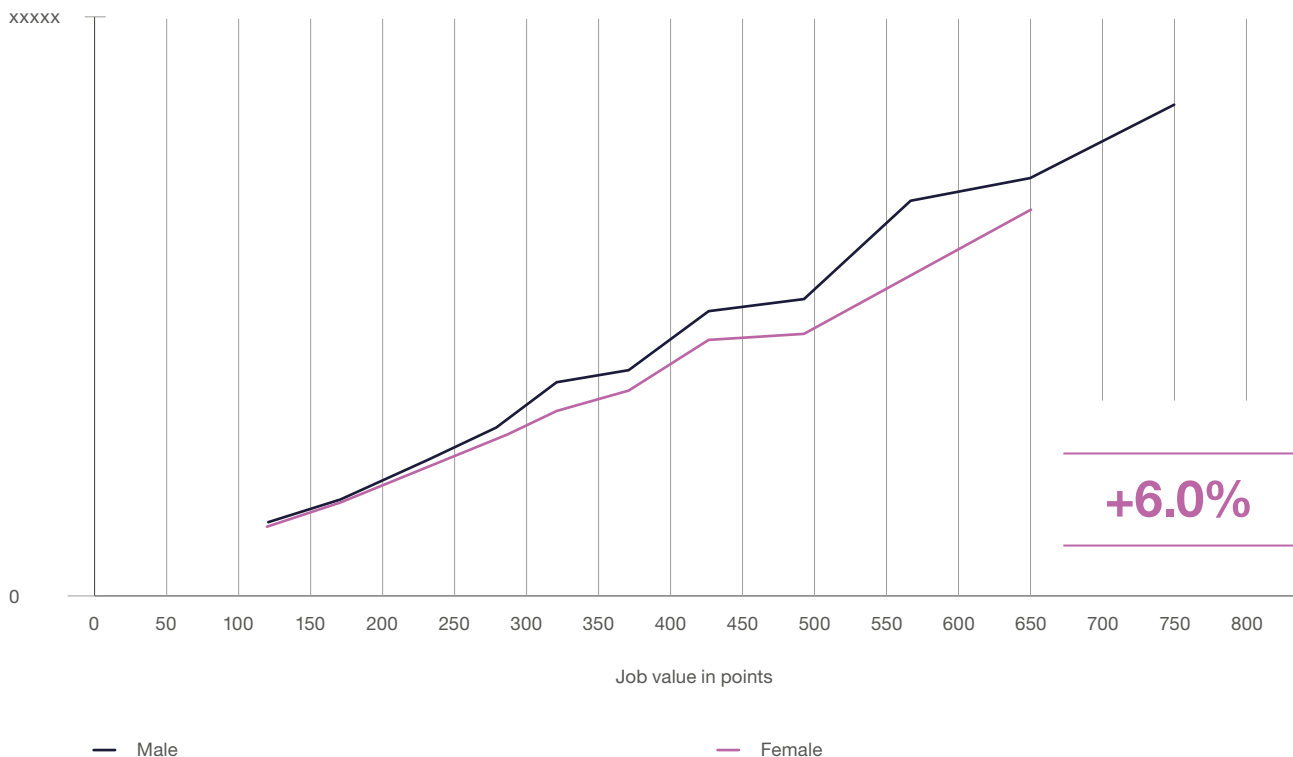
As EU countries continue preparing for the upcoming EU Pay Transparency Directive in an effort to close the gender pay gap, such calculations are becoming increasingly important.

In the GBS community in Latvia overall, men currently earn 6.0% higher annual total compensation than women in jobs of similar value. This difference

is primarily driven by salary variations across different job families, which are influenced by the availability of certain competencies in the market and the resulting competition for talent. In the coming years, pay equity is expected to become one of the key considerations in annual salary reviews. The directive is also likely to influence promotion decisions within organisations.

Please note: the gender pay gap should be assessed individually within each organisation to determine whether action is needed and to enable targeted measures.

FIGURE 3.3 | Similar value jobs, annual total cash





# BALTICS AND LATVIA OFFICE MARKET

## Office market **Baltics**

### Total existing office stock (GLA sqm)

Total, end of 2024

**2,700,000**

Trend



Finished in 2024

**97,000**

Trend



### Existing office stock by class (GLA sqm)

Class A

**849,000**

Trend



Class B

**1,900,000**

Trend



### Office area in development by class (GLA sqm)

Class A

**217,000**

Trend



Class B

**167,000**

Trend



FIGURE 4.1

## Office market Baltics



## Tallinn



Total speculative office stock (GLA sqm)	<b>905,400</b>
--	----------------



Office space in construction (GLA sqm)	<b>114,400</b>
--	----------------



Office take-up, 2024 (GLA sqm)	<b>71,500</b>
--------------------------------	---------------



Prime office yield (%)	<b>6.75</b>
------------------------	-------------



Office vacancy rate (%)	<b>11.20</b>
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## Riga



Total speculative office stock (GLA sqm)	<b>695,100</b>
--	----------------



Office space in construction (GLA sqm)	<b>73,700</b>
--	---------------



Office take-up, 2024 (GLA sqm)	<b>53,500</b>
--------------------------------	---------------



Prime office yield (%)	<b>6.75</b>
------------------------	-------------



Office vacancy rate (%)	<b>17.10</b>
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## Vilnius



Total speculative office stock (GLA sqm)	<b>1,136,200</b>
--	------------------



Office space in construction (GLA sqm)	<b>195,600</b>
--	----------------



Office take-up, 2024 (GLA sqm)	<b>88,800</b>
--------------------------------	---------------



Prime office yield (%)	<b>6.50</b>
------------------------	-------------



Office vacancy rate (%)	<b>8.20</b>
-------------------------	-------------

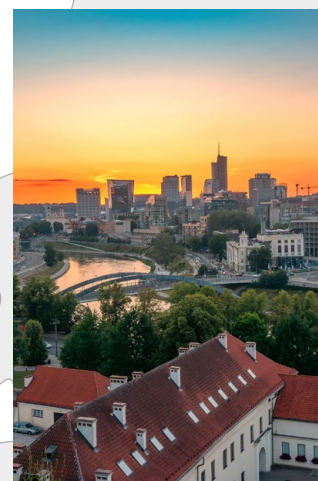
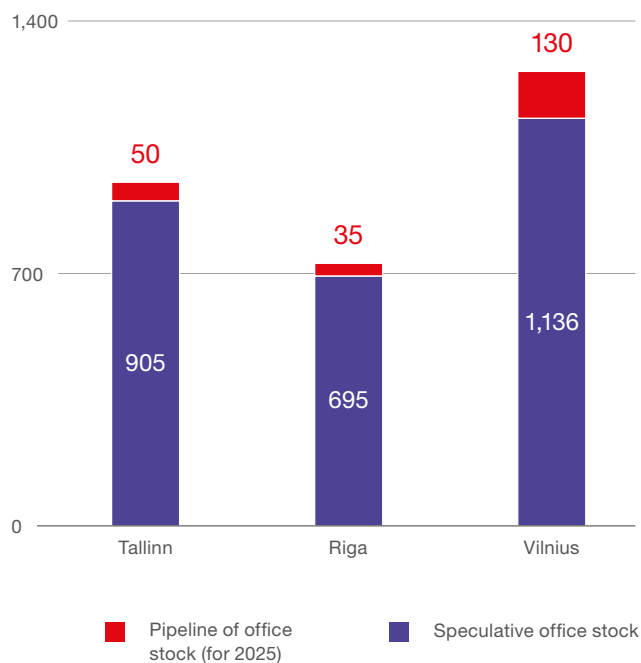
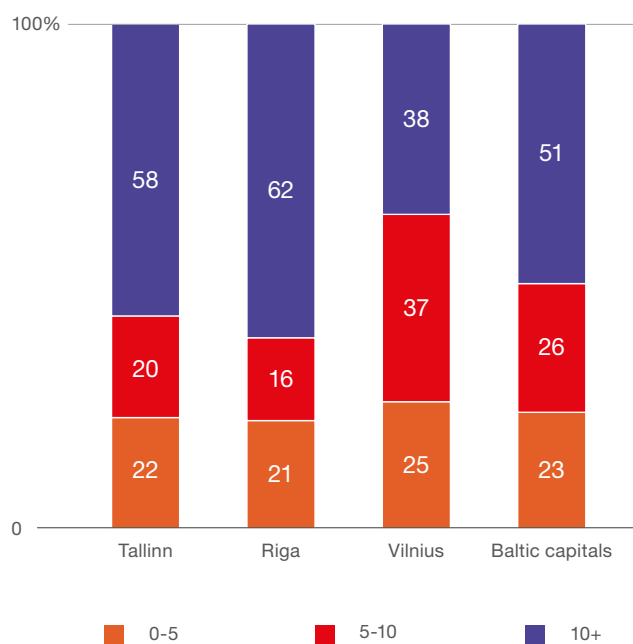
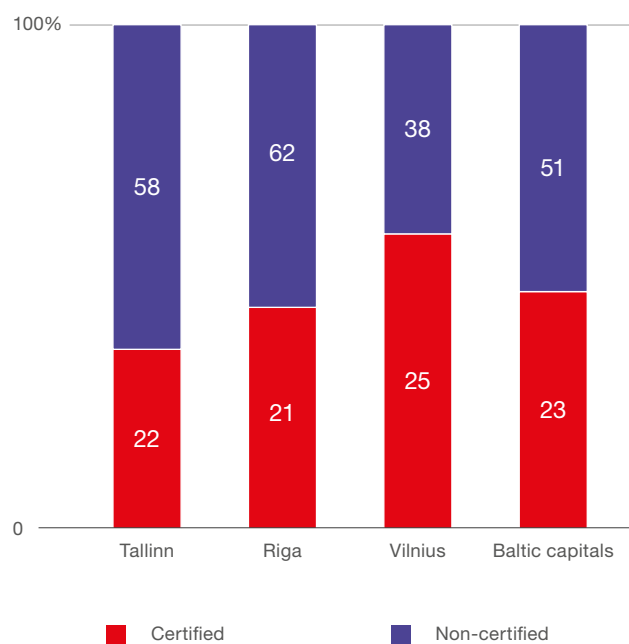
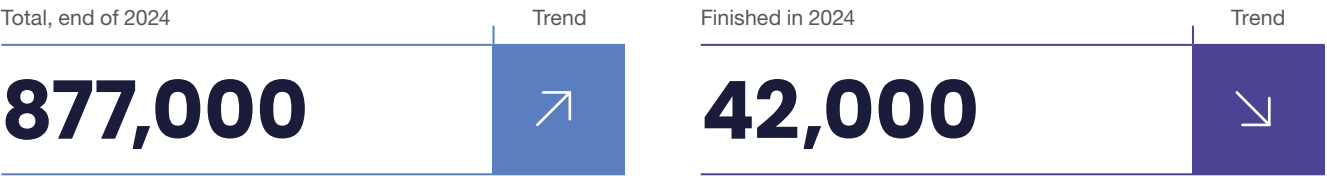




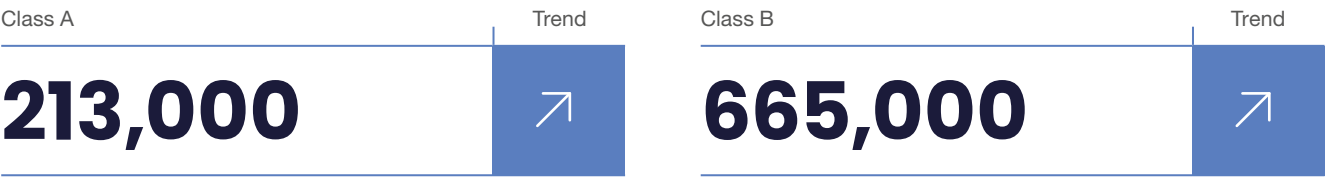
FIGURE 4.2 | **Speculative office stock and pipeline** (thousand sqm)FIGURE 4.4 | **Office take-up** (thousand sqm)FIGURE 4.3 | **Division by age** (%)FIGURE 4.5 | **Certification status** (%)

# Office market Latvia

## Total existing office stock (GLA sqm)



## Existing office stock by class (GLA sqm)



## Office area in development by class (GLA sqm)

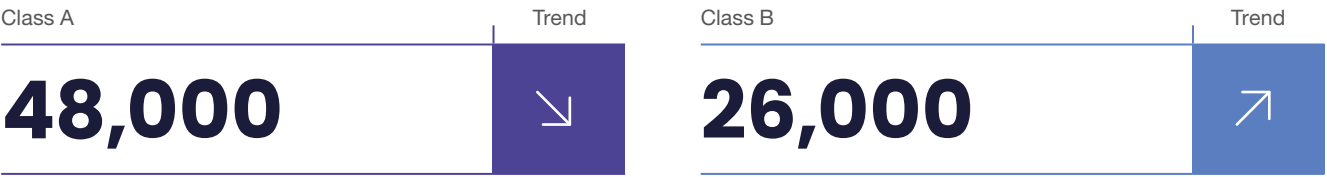
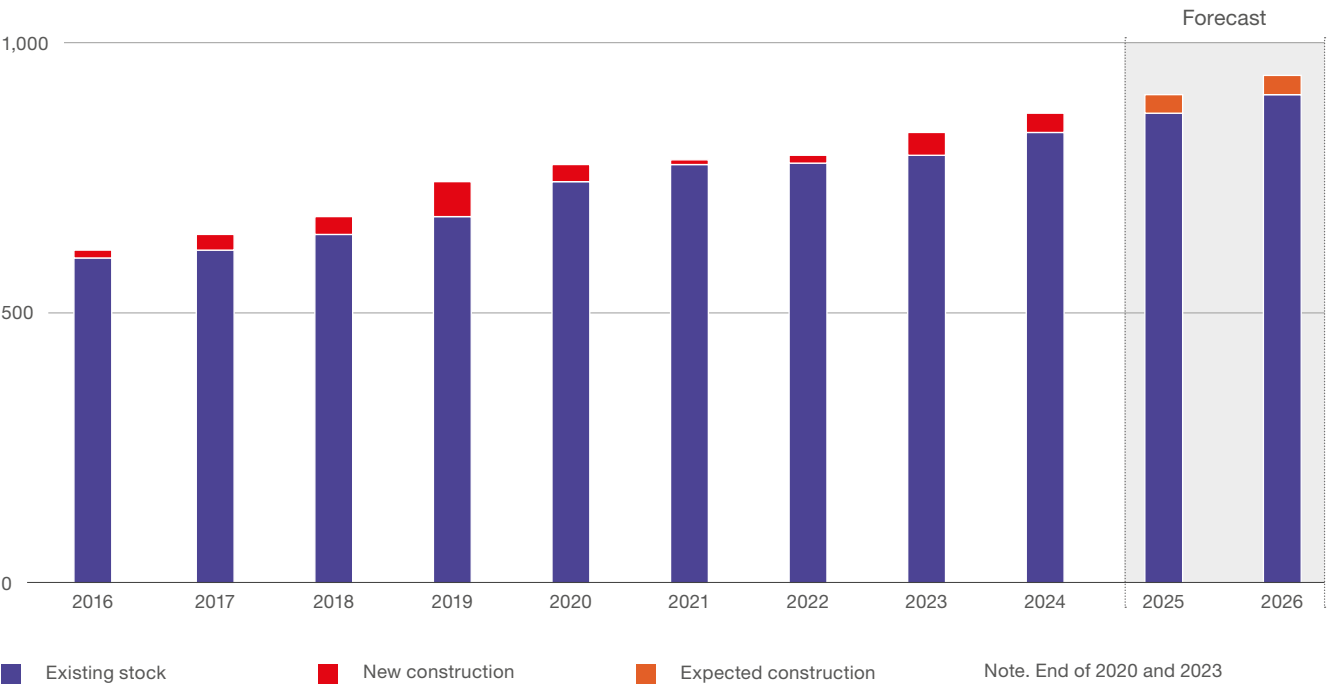


FIGURE 4.6 | Dynamics of Office Space in Riga (thousand sqm)



Note. End of 2020 and 2023 notable part of Riga office stock was reclassified

FIGURE 4.7

**Office developments in Riga**  
(GLA > 5,000 sqm)

- Riga larger centre
- Completed in 2024
- Under construction

**Barons Kvartals – Sencu 11, Brivibas 155** ■**Verde II** ■**Magdelenas Kvartals** ■**Preses Nama Kvartals I** ■**Novira Plaza** ■ **Satekles Biznesa Centrs** ■

Currently, 74,000 sqm of office space is under construction, with 45% set for completion in 2025. Developers who have successfully leased out recently finished projects are now planning the next phases, signaling another wave of new supply expected in 2027–2028.

With most large projects already delivered and others still in the planning stage, the volume of new leasable office space entering the market will be lower in 2025 and 2026.

Hence, with less leasable office space entering the market and most large tenants already relocated, maintaining the annual take-up level of above 50,000 sqm seems challenging.

Projects currently under construction or in planning face significantly higher costs compared to recently completed developments. To offset these costs, landlords will need to raise asking rents, creating a pricing gap between future stock and existing modern office projects.

FIGURE 4.8

### Top office projects

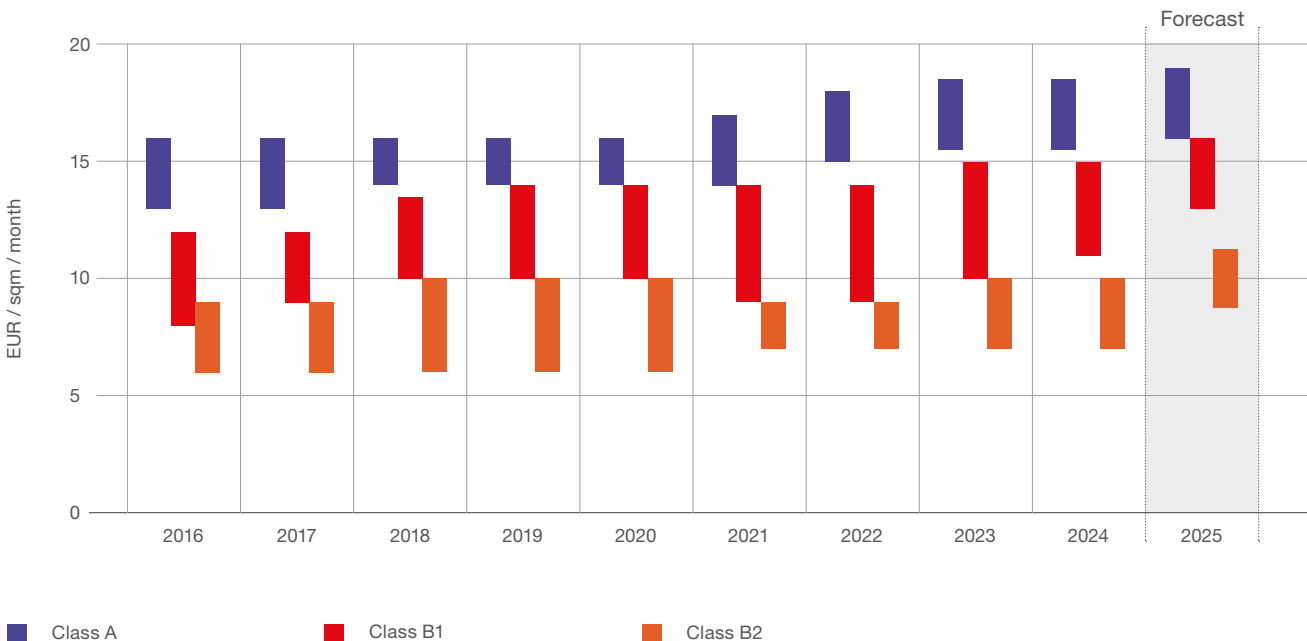
Finished in 2024		
	Area, sqm	Developer
Novira Plaza	20,500	Novira
Verde II	13,900	Capitalica
ArcadA	3,700	Honiks

Under construction		
	Area, sqm	Developer
Preses Nama Kvartals I	25,900	Lords LB
Satekles Business Centre	12,000	Linstow
Barons Kvartals new stages	13,000	Barons Kvartals

FIGURE 4.9

### Dynamics of Office Space in Riga (thousand sqm)



Note. All data for Riga includes both speculative and built-to-suit office stock



FIGURE 4.10 Dynamics of Vacancy rates in Riga (%)



# NOVIRA PLAZA: THE STRATEGIC ADVANTAGE OF A CENTRAL OFFICE IN RIGA

In today's competitive business landscape, attracting and retaining talent requires more than competitive salaries. Work environment, office location, sustainability standards, and proximity to amenities have become increasingly important for both companies and employees. As businesses seek office spaces that align with modern workforce expectations, **Novira Plaza** stands out as one of Riga's most compelling options – combining premium quality with an unbeatable central location.

## A New Chapter for Riga's City Center

Riga's central district has undergone a remarkable transformation over the past decade. Once characterized by outdated infrastructure, it has emerged as one of the city's most dynamic areas for business. A symbol of this transformation is **Novira Plaza** – a modern, seven-story A-class office building that opened in spring 2024 directly opposite the Central Railway Station. Surrounded by other key developments such as "Origo One" and the upcoming "Satekles Business Centre," this location is quickly becoming Riga's new business epicenter.



## Visibility and Accessibility that Matter

Companies today understand the strategic value of brand visibility, customer convenience, and employee access. Novira Plaza offers all three. Located just minutes from the Old Town and connected to key transport hubs – Riga's central train station and international bus terminal – this address ensures high visibility and foot traffic while simplifying daily commutes.

## Built for Today's Needs – And Tomorrow's Growth

Novira Plaza offers flexible office space ranging from 150 up to much more spacious premises, making it suitable for businesses of all sizes –

from startups to established international firms. In addition, the complex provides retail and service premises of various sizes, ideal for cafes, shops, and essential services.

With a focus on sustainability and operational efficiency, the LEED Gold certified Novira Plaza office building meets the highest quality and ESG standards. Energy-efficient systems help reduce utility costs, and ready-to-use interior solutions support quick occupancy. For growing companies, expansion within the building is also possible – minimizing disruption and supporting long-term planning.

## Location as a Lifestyle Advantage

Riga's city center is more than a business district – it's a growing residential hub, especially among young professionals. Central Statistical Bureau data shows that nearly 83,000 people live in adjacent neighborhoods like Avoti, Centrs, Grīziņkalns, and Skanste, and this number is steadily increasing.

For employees, a workplace at Novira Plaza means being within walking distance of restaurants, parks,





shops, gyms, hotels, cultural venues, and public services. This blend of convenience and lifestyle is increasingly valuable in talent decisions. Nowadays, salary and benefits aren't the only factors candidates consider. Office location, accessibility, and surrounding services play a crucial role in overall job satisfaction.

## Designed to Compete for Talents

In the battle for skilled talent, companies that offer a high-quality, accessible, and people-centered workplace gain a clear competitive edge. Novira Plaza supports this by offering:

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**Prime location in Riga's growing business district**

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**Top-tier construction, sustainability, and design standards**

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**Scalability for businesses in various stages of growth**

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**Excellent public transport and intercity connections**

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**A rich ecosystem of services and amenities within reach**

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Importantly, Novira Plaza helps companies make a strong visual and cultural impression – not just through architecture, but by offering a work environment aligned with the values of today's professionals: flexibility, sustainability, accessibility, and quality of life.



## A Community of Leading Brands

Novira Plaza has already attracted a strong mix of well-known international and local companies, reinforcing its position as one of Riga's most sought-after business addresses. Tenants include global and regional leaders such as Luminor Bank, PwC, GoCardless, Zalaris, Wolt, Eversheds Sutherland Bitāns and many others. This diverse tenant base spans finance, technology, legal services, and professional consulting – creating a vibrant ecosystem where innovation, collaboration, and business growth flourish every day.

## An Ecosystem for Growth

With limited availability of development-ready land in the city center, Novira Plaza is a rare opportunity. It's not just about square meters – it's about building a presence, joining a progressive business community, and investing in a space that attracts both clients and top talent.

Whether you are a growing tech company, a service provider, or a regional HQ exploring your next location, Novira Plaza offers more than just office space – it offers a strategic advantage.



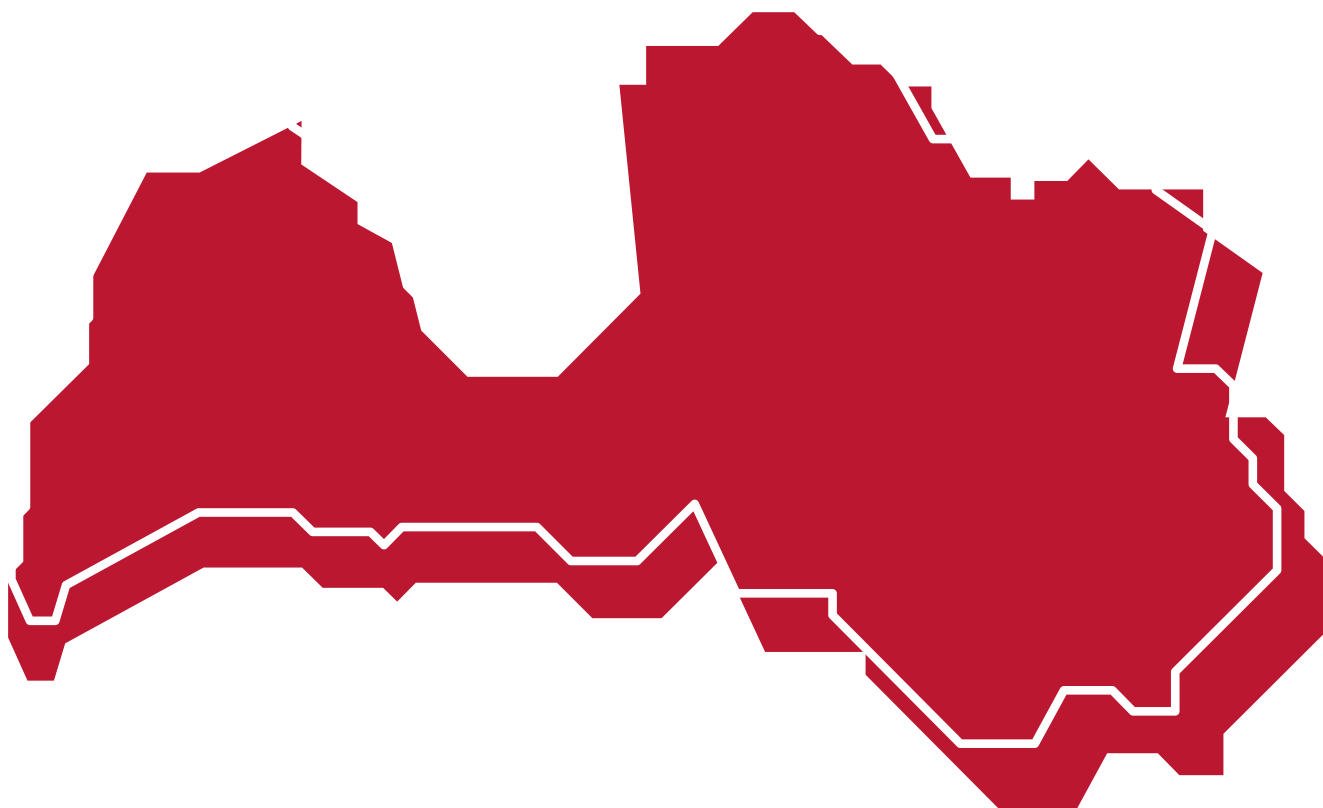
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