

**EIB INVESTMENT SURVEY 2024**

# **LATVIA**

**OVERVIEW**



**European  
Investment Bank**



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## **EIB Investment Survey 2024 Country Overview: Latvia**

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### **About the EIB Economics Department**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy, and policy. The department and its team of economists is headed by Debora Revoltella, director of economics.

### **About Ipsos Public Affairs**

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 300 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision-makers and communities.

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You can also contact our InfoDesk, [info@eib.org](mailto:info@eib.org).

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## About the EIB Investment Survey

The EIB Group Investment Survey (EIBIS), conducted annually since 2016, is a unique survey of approximately 13 000 firms across all European Union Member States, with an additional sample from the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges, such as climate change and digital transformation. The EIBIS uses a stratified sampling methodology and is representative across all 27 EU Member States and the United States, as well as across four categories of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. Developed and managed by the EIB Economics Department, the survey is conducted with support from Ipsos.

## About this publication

The reports resulting from EIBIS provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

The EIBIS 2024 overview presents the results of the survey run in 2024. Questions in the survey might point to “last financial year” (2023) or “expectations for the current year” (2024). The text and the footnote referring to the question will specify in each case which year is considered.

Due to rounding, charts may not add up to 100%.

Download the findings of the EIB Investment Survey for each EU country and explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).

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# EIBIS 2024 – Latvia overview

## Key results

### Investment dynamics, needs and priorities

In Latvia, firms' investment lost momentum but the outlook looks brighter than in the EU overall. The share of firms investing has fallen since the last EIBIS survey and is below the EU average. Related to this, the share of firms expecting to increase rather than decrease investment has plateaued in recent years and exceeds the EU average (net balance of 15% vs. net balance of 7%, respectively).

The investment outlook is generally positive but Latvian firms are, on balance, negative about the political or regulatory climate, although less so than EU firms. On all other measures, Latvian firms are, on balance, weakly positive, with more firms expecting an improvement rather than a deterioration in the next 12 months. Latvian firms are well more optimistic about the economic climate than EU firms, while on other measures, Latvian and EU firms are more closely aligned.

Most Latvian firms (72%) are satisfied with their overall investment level over the past three years, but almost a quarter (24%) report an investment gap, 10 pp above the EU average. Latvian firms are increasingly likely to focus their investment on replacement compared with last year's EIBIS. Latvian firms' investment in capacity expansion is in line with other EU firms. Firms in Latvia report an average of 33% of their investment in intangible assets for 2023.

Looking ahead to the next three years, Latvian firms are split on future investment decisions. Overall, 29% plan to prioritise replacing existing equipment, while 21% plan to focus on new products/services and 19% on capacity expansion. Latvian firms are more likely than EU firms to have no planned investments (31% vs. 12%, respectively).

### Global value chains, climate change and innovation

Compared to EU firms, Latvian firms are slightly less integrated into global trade (63% vs. 60%, respectively). In EIBIS 2024, concerns about supply chain disruptions declined in both Latvia and the EU relative to last year. Latvian firms continue to cite access to raw materials and logistical challenges as their primary concerns. Latvian firms express less concern than EU firms regarding most obstacles, except access to raw materials, where they are as concerned as EU peers. In response to trade shocks, Latvian firms have adopted similar strategies as across the EU but are more likely to have reduced their reliance on international trade by decreasing levels of imported goods and services (15% vs. 7% of EU firms).

Compared to EU firms, Latvian firms are less likely to have invested in mitigating climate change impacts. They are also less likely to have future investment plans in this area. Nearly a half (46%) consider the transition to stricter climate standards and regulations as a risk over the next five years, higher than EU firms (34%). However, only 12% of Latvian firms see it as an opportunity, far lower than EU firms (27%). Most Latvian firms have taken at least one of the actions asked about to reduce greenhouse-gas emissions, less than EU firms (77% vs. 91%, respectively). Investment in waste management was the most common strategy adopted. Compared to the EU average, Latvian firms were less likely to have invested in new less polluting business areas and technologies, waste management, and sustainable transport.

About half of Latvian firms (52%) report they have been impacted by the physical risk of climate change (either as a major or minor impact). Almost half of firms in both Latvia and the EU (both 48%) were taking any of the actions asked about to adapt to climate change. However, only 12% of Latvian firms have an adaptation strategy, compared to 22% across the EU. Around half of Latvian firms (48%) set and monitor targets for internal greenhouse gas emissions, a rise from last year's EIBIS, bringing Latvian firms in line with the EU average.

Innovation and digitalisation are a key source of firms' competitiveness. Latvian firms are behind the EU in relation to levels of innovation. About a quarter of Latvian firms (24%) report innovation activity in 2023, a decrease from last year's EIBIS findings and below the EU average (32%). Similarly, whilst most Latvian and EU firms use digital technologies, adoption rates are lower in Latvia than across the EU (61% vs. 74%).

## **Investment barriers**

Latvian firms' view on the business environment have improved since last year's EIBIS, with firms reporting lower concerns regarding energy costs, availability of skilled staff, digital infrastructure, labour market and business regulations. The availability of skilled staff and uncertainty about the future are the primary investment obstacles.

Looking into regulatory issues and the functioning of the EU single market sheds some new light on the fragmentation of the EU single market. Firms were asked whether their key product is subject to differentiated regulatory requirements and standards (e.g., consumer protection, health and safety standards, environmental standards for products) across EU countries. This is a particular concern for Latvian firms with most Latvian exporters (89%) reporting that they have to comply with different standards and consumer protection rules across EU countries, higher than the EU average of 60%. The survey also asks firms to estimate the number of employees dedicated to dealing with compliance to regulatory requirements and standards. About 89% of Latvian firms employ staff to deal with regulatory compliance. The regulatory burden appears to be particularly high for Latvian firms with around 43% employing more than 10% of their staff to assess and comply with regulation. This is much higher than the EU average (17%).

## **Access to finance**

In the last financial year, internal finance was most commonly used and the share of firms happy to do so has remained stable (even if below the EU average). The share of firms that are finance-constrained has fallen but remains higher than EU firms.

The share of Latvian firms relying on external investment is in line with EU firms (47% vs. 42%, respectively). Bank financing remained the dominant source of external funding in 2023, for both Latvian and EU firms, although to a lesser extent for the latter (74% vs. 81%, respectively).

## **Gender equality in business**

Firms in Latvia are ahead of EU firms in gender equality in business. In Latvia, 34% of firms have over 40% women in senior management roles, compared to 23% of firms in the EU. Additionally, 22% of Latvian firms are majority-owned by women (50% or more ownership), whereas in the EU, this is true for only 13% of firms in EIBIS 2024.



# Investment dynamics and focus

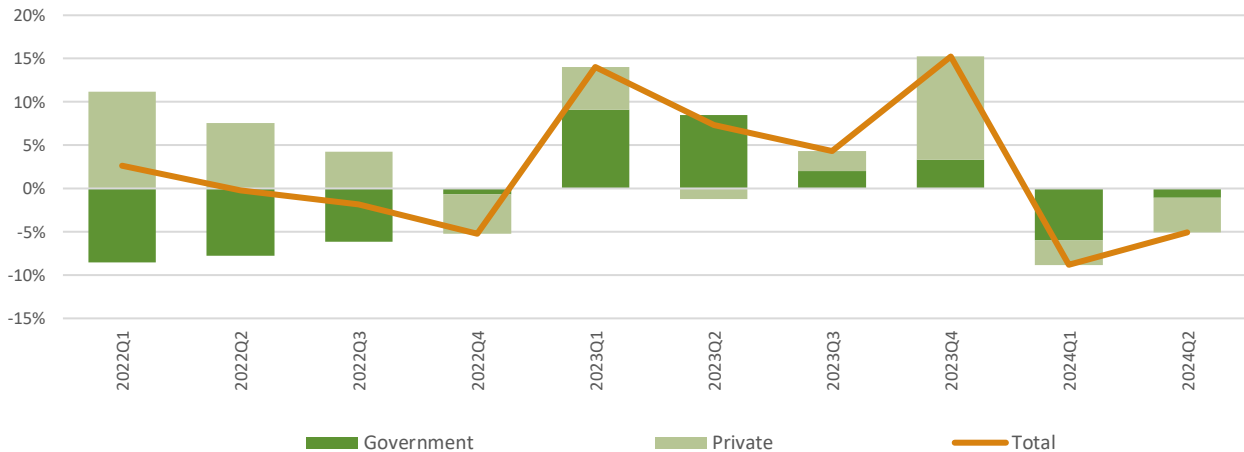
## Investment dynamics by institutional sector

The investment dynamics in Latvia lost momentum in the first half of 2024. Since then, total gross fixed capital formation declined due to a sharp drop in public and private investment growth.

### Evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector



### Year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector



The graph at the top shows the evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector. The nominal GFCF source data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF (2015 = €100). The four-quarter sum of total GFCF in the fourth quarter of 2019 is normalised to 0.

Source: Eurostat.

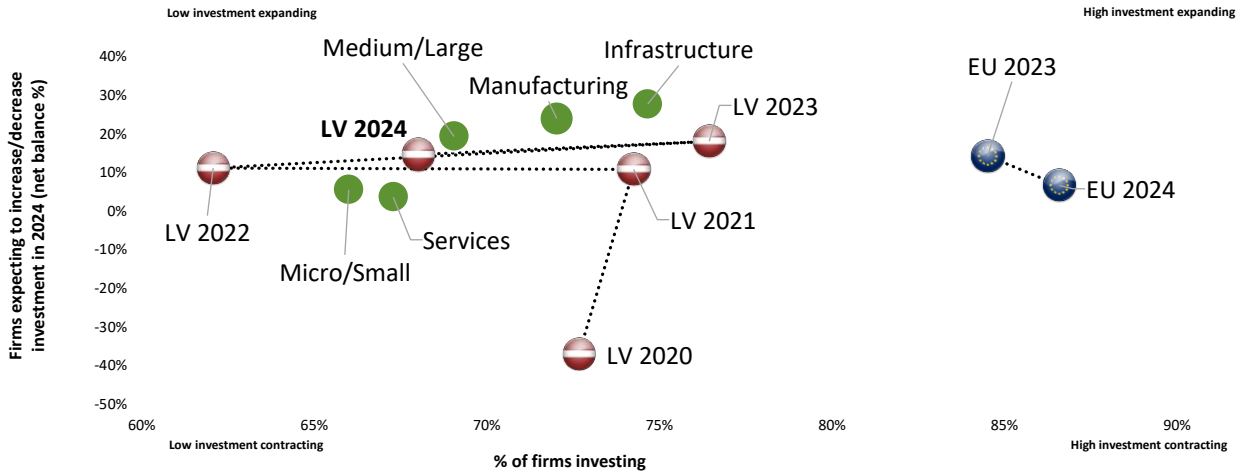
The graph at the bottom shows the year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector. The data are deflated using the implicit deflator for total GFCF.

Source: Eurostat

# Investment dynamics and focus

## Investment cycle and evolution of investment expectations

The share of firms investing has fallen since last year and is below the EU average (68% in EIBIS 2024 vs. 76% in EIBIS 2023 for Latvia). The share of firms expecting to increase rather than decrease investment has plateaued in recent years and exceeds the EU average (net balance of 15% vs. 7%, respectively).

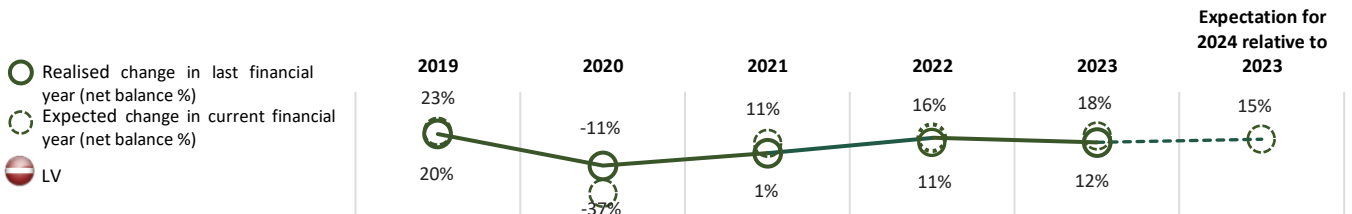


Share of firms investing shows the percentage of firms with investment per employee greater than €500.

Base for share of firms investing: all firms (excluding don't know/refused responses).

Base for expected and realised change: all firms.

### Expected and realised investment changes over time:



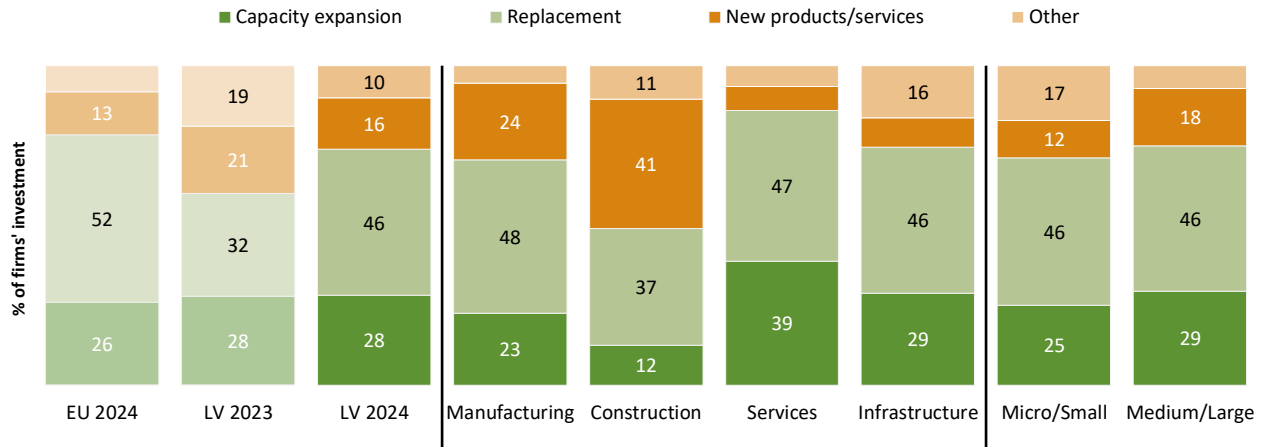
“Realised change” is the share of firms that invested more, minus those that invested less.

“Expected change” is the share of firms that expect(ed) to invest more, minus those that expect(ed) to invest less.

# Investment dynamics and focus

## Purpose of investment in last financial year

The overall pattern of investment is similar between Latvian and EU firms. Latvian firms are increasingly likely to focus their investment on replacement rather than capacity expansion compared with last year's findings.

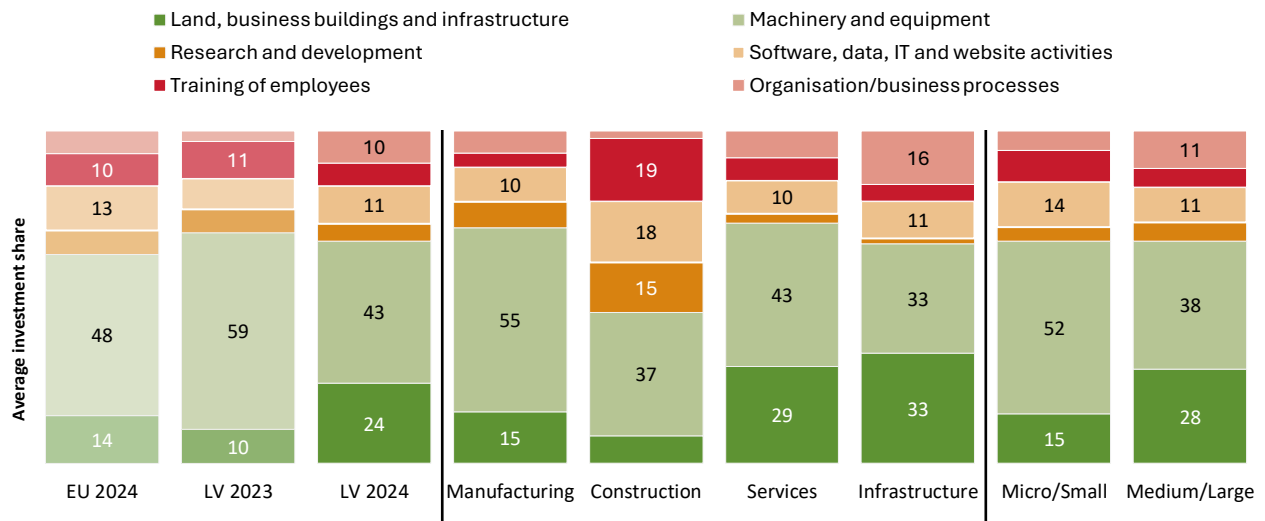


Please note: Sector and firm size show LV data only.

Q. What proportion of total investment was for (a) developing or introducing new products, processes or services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services?  
 Base: All firms that invested in the last financial year (excluding don't know/ refused responses).

## Investment areas

Firms in Latvia report an average of 33% of their investment in intangible assets for 2023. Particularly construction firms devoted a majority share of investment to intangible assets and training. In contrast, infrastructure and services firms directed a larger share of their investment towards land, building and infrastructure.



Please note: Sector and firm size show LV data only.

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

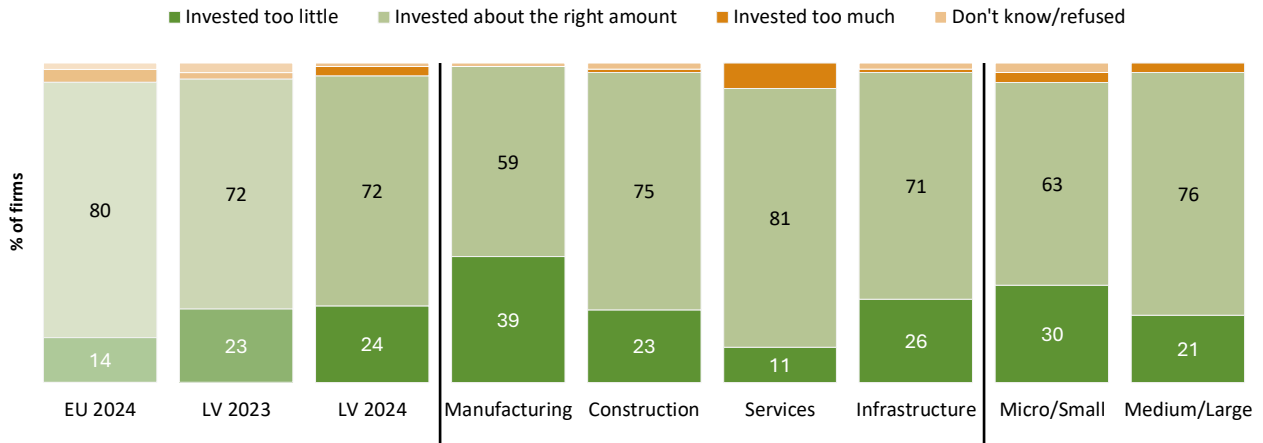
Base: All firms that invested in the last financial year (excluding don't know/ refused responses).

Note: Tangible assets are land and machinery; intangible assets are research and development, software, data, IT and website activities, training of employees and organisation/business processes.

# Investment needs and priorities

## Perceived investment gap

Most Latvian firms are satisfied with their overall investment level over the past three years, but almost a quarter (24%) report an investment gap, above the EU average.



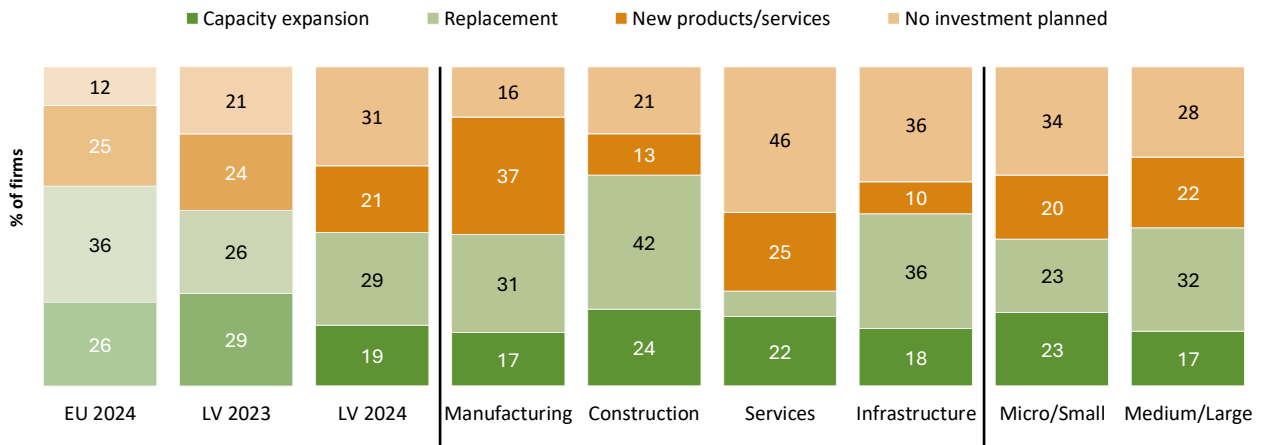
Please note: Sector and firm size show LV data only.

Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount to ensure the success of your business going forward?

Base: All firms (excluding response "Company didn't exist three years ago").

## Future investment priorities

Over the next three years, Latvian firms' investment priorities are divided. Overall, 29% plan to prioritise replacing existing equipment, while 21% plan to focus on new products/services and 19% on capacity expansion. Latvian firms are more likely than EU firms to have no planned investments and this proportion increased compared to last year's findings.



Please note: Sector and firm size show LV data only.

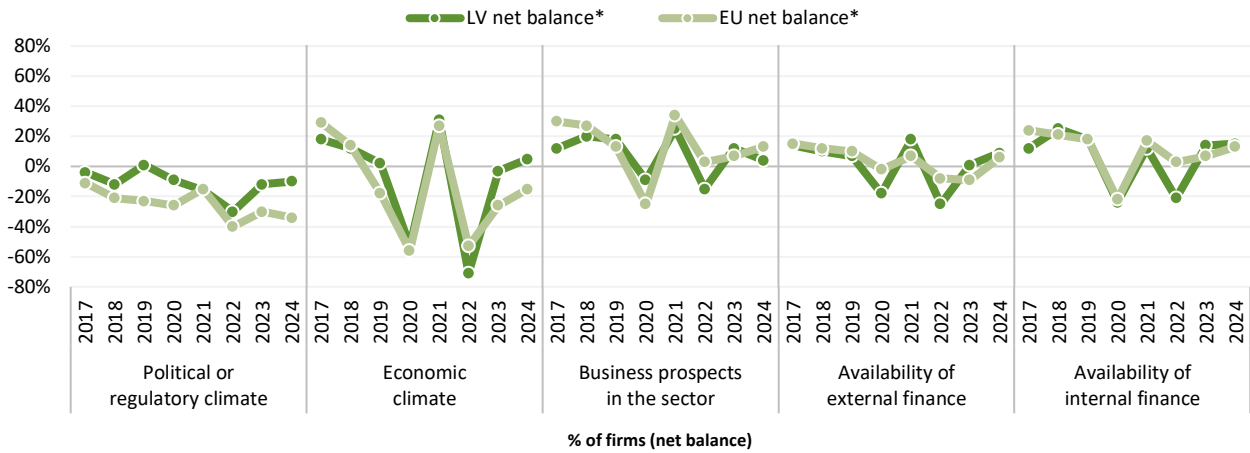
Q. Looking ahead to the next three years, which of the following is your investment priority: (a) developing or introducing new products, processes and services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services; (d) no investment planned?

Base: All firms (excluding don't know/refused responses).

# Investment needs and priorities

## Short-term drivers and constraints (net balance)

The investment outlook is generally positive but Latvian firms are, on balance, negative about the political or regulatory climate, although they are less pessimistic than EU firms. On all other measures, on balance, Latvian firms are weakly positive, with more firms expecting an improvement than a deterioration in the next 12 months. Latvian firms are, on balance, more optimistic about the economic climate than EU firms and are more closely aligned on other measures.



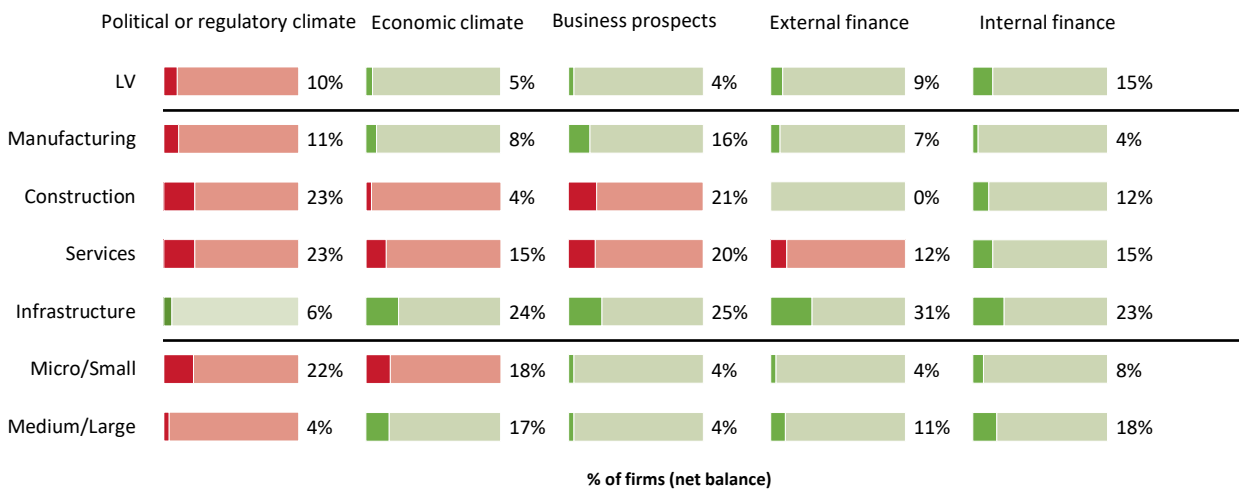
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

\* Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration. Negative values thus imply that more firms expect a deterioration than an improvement.

## Short-term drivers and constraints by sector and firm size (net balance)

Latvian infrastructure firms expect an improvement across all constraints. In contrast, Latvian services firms are, on balance, pessimistic about every measure except internal finance, with more expecting a decline rather than an improvement over the next 12 months.



Please note: Green figures represent a positive net balance, while red figures represent a negative net balance. Sector and firm size show LV data only.

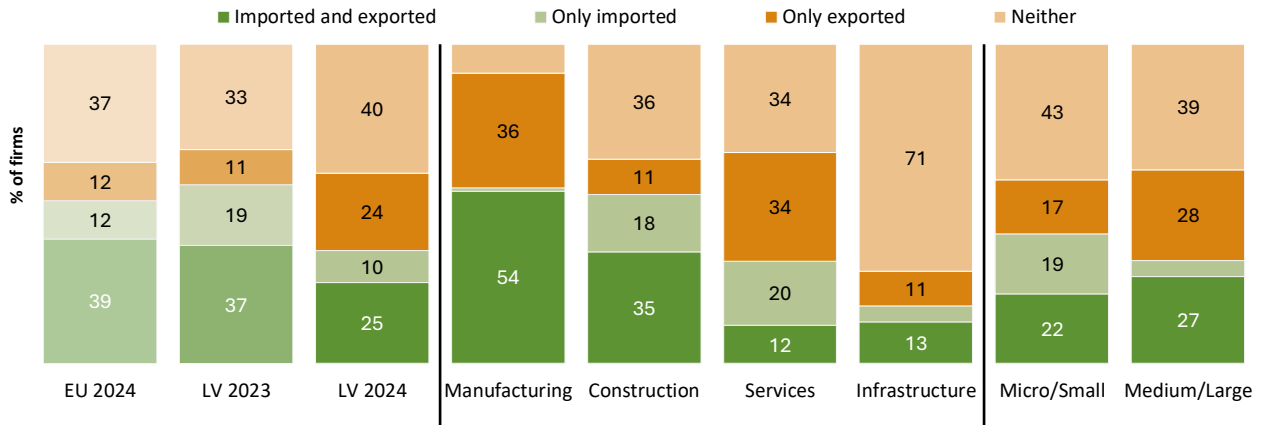
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms.

# International trade

## Engagement in international trade

Overall, 60% of Latvian firms engage in international trade (either within the EU or outside the EU), a slight decline from the previous year and in line with the EU average. Manufacturers are leading the way in international trade and infrastructure firms trade the least.



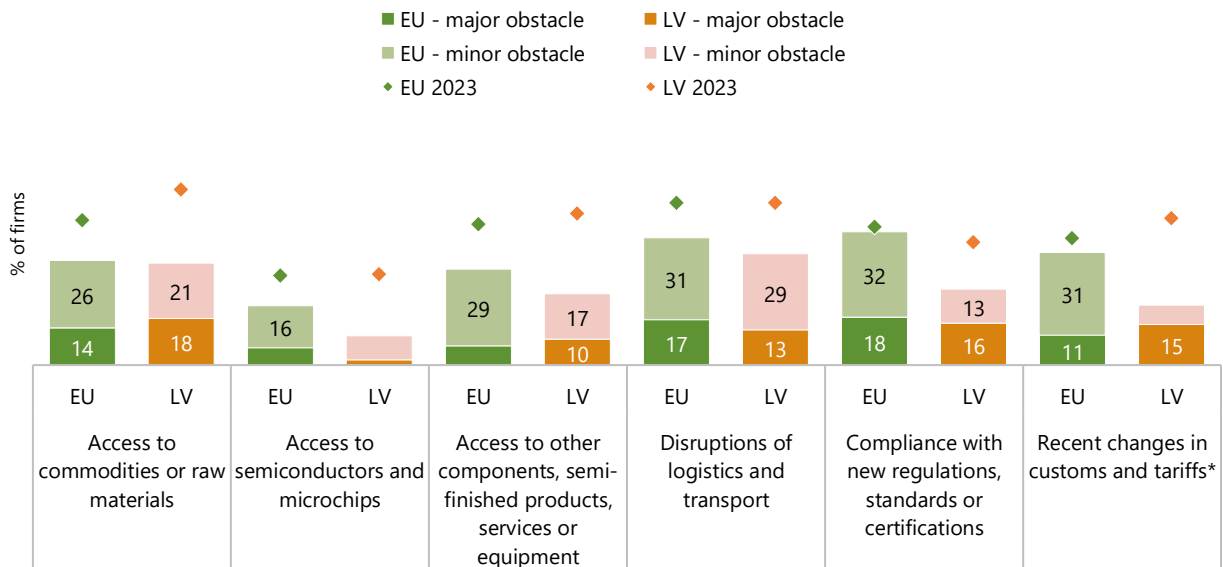
Please note: Sector and firm size show LV data only.

Q. In 2023, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses).

## Obstacles related to international trade

While trade disruptions have decreased for both Latvian and EU firms since the beginning of 2023, Latvian firms continue to cite access to raw materials and logistical challenges as their primary concerns. On average, Latvian firms express less concern than EU firms regarding most obstacles, except access to raw materials, where they are as concerned as EU peers.



Q. Since the beginning of 2023, were any of the following an obstacle to your business's activities?

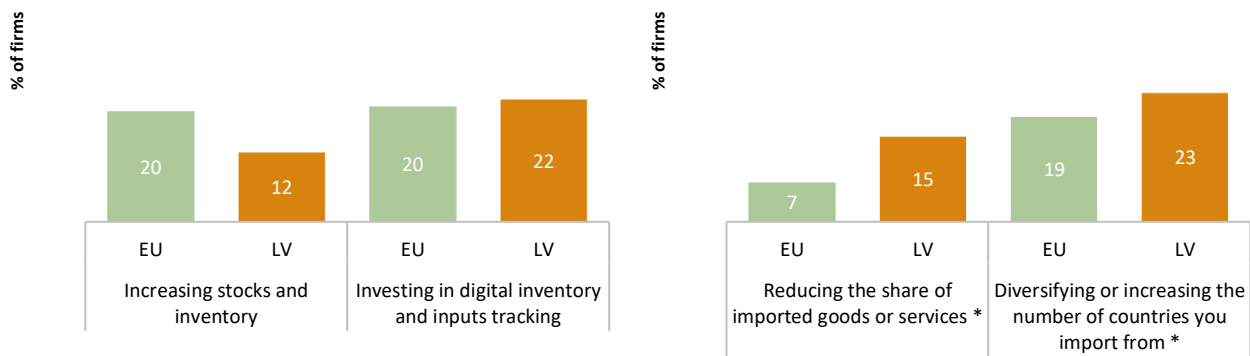
Base: All firms (excluding don't know/refused responses).

\*Base: All importers and exporters (excluding don't know/refused responses).

# International trade

## Change in sourcing strategy

While Latvian and EU firms have adopted overall similar strategies in response to trade shocks, Latvian firms are twice as likely as the EU average to reduce their reliance on international trade by decreasing imported goods and services (15% vs. 7%, respectively). Latvian firms which import also diversify or increase their import partners more than EU firms.



Q. Since the beginning of 2023, has your company made any of the following changes to your sourcing strategy, or are you planning to make any of these changes this year?

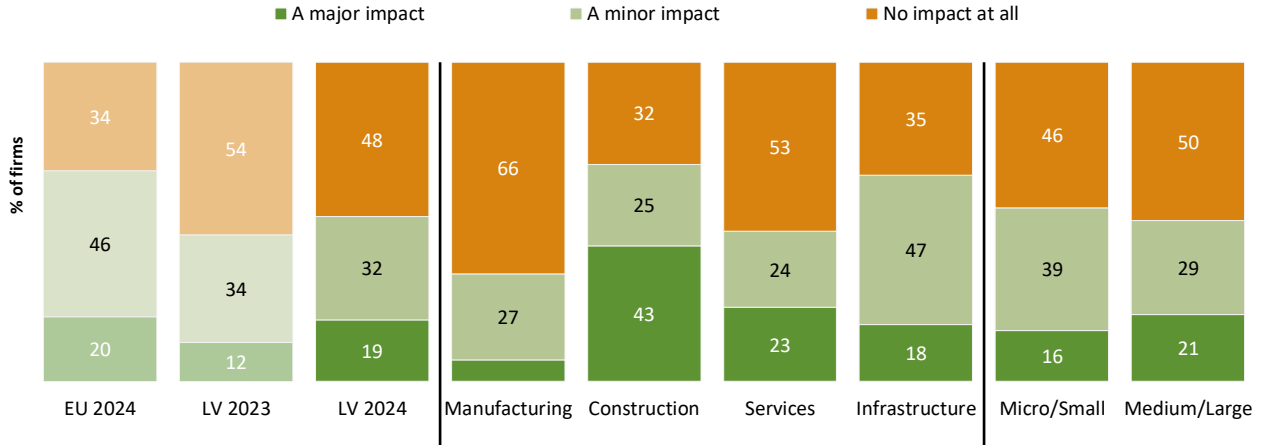
Base: All firms (excluding don't know/refused responses).

\* Base: All firms that import (excluding don't know/refused responses).

# Climate change and energy efficiency

## Impact of climate change — physical risk

Overall, 52% of Latvian firms have been impacted by the physical risks of climate change, exceeding the EU average. While the construction sector has been affected the most, manufacturing reports the highest proportion of unaffected firms.



Please note: Sector and firm size show LV data only.

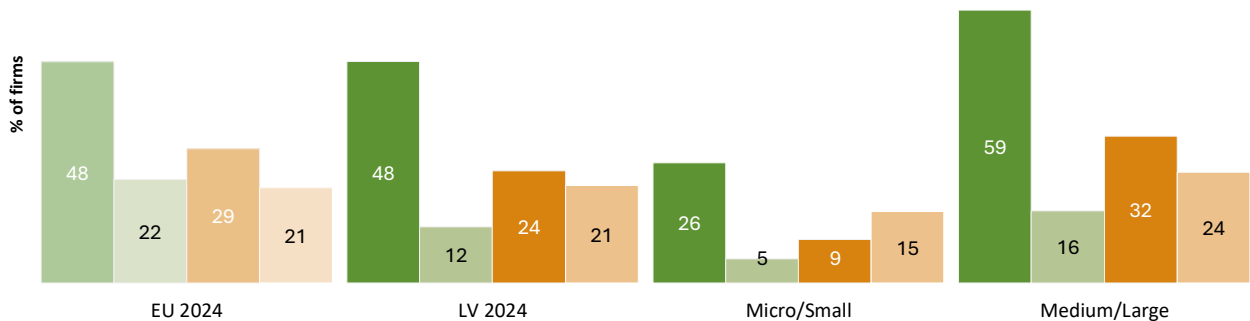
Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms, or changes in weather patterns due to progressively increasing temperatures and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses).

## Building resilience to physical risk

Overall, 48% of firms in both Latvia and the EU are taking action to build climate change resilience. However, only 12% of Latvian firms have a formal adaptation strategy, compared to 22% of EU firms. In Latvia, medium and large firms are more likely to have acted than smaller firms.

- Any action
- Investment in solutions to avoid/reduce exposure to physical risks
- Adaptation strategy for physical risks
- Buying or renewing insurance products to offset climate-related losses



Please note: Firm size show LV data only.

Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks of climate change?

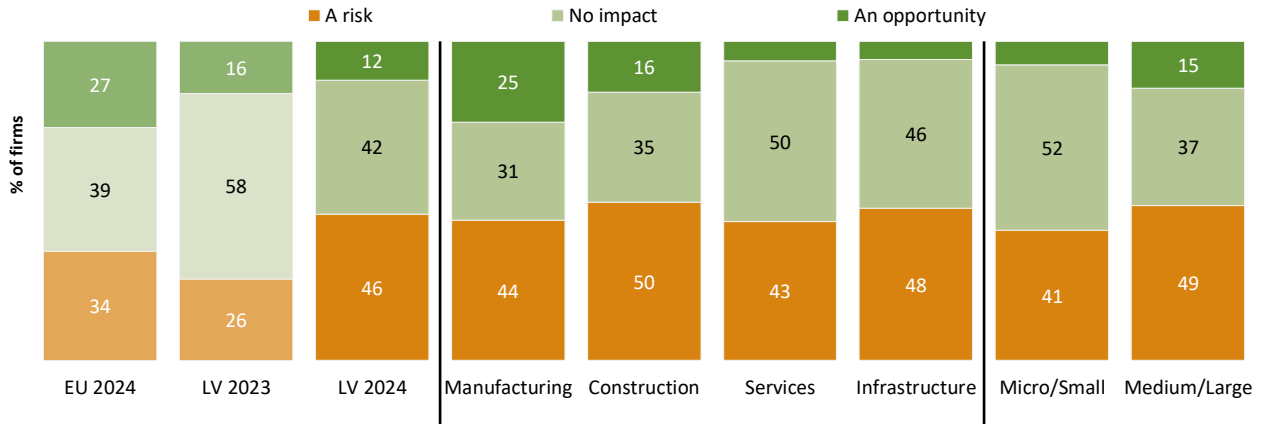
Base: All firms (excluding don't know/refused responses).



# Climate change and energy efficiency

## Risks associated with the transition to a net zero emission economy over the next five years

In Latvia, 46% of firms consider the transition to stricter climate standards and regulations as a risk over the next five years, compared to only 12% of firms who see it as an opportunity. The share of firms seeing the transition as a risk has almost doubled since last year (46% vs. 26%) and exceeds the EU average (34%).



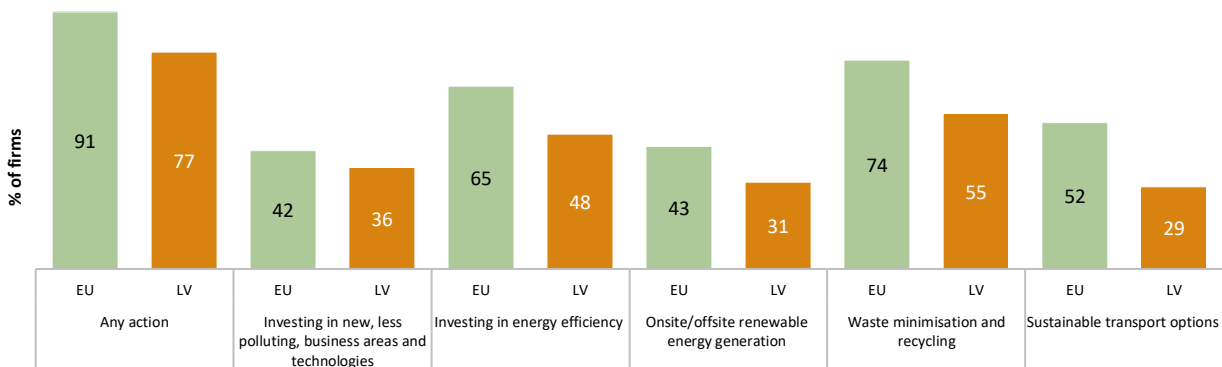
Please note: Sector and firm size show LV data only.

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses).

## Measures to reduce greenhouse gas emissions

While 77% of Latvian firms have taken action to reduce greenhouse gas emissions, it remains below the EU average. Compared to EU firms, fewer Latvian firms have invested in new less polluting business areas and technologies, renewable energy generation, waste management, and sustainable transport.



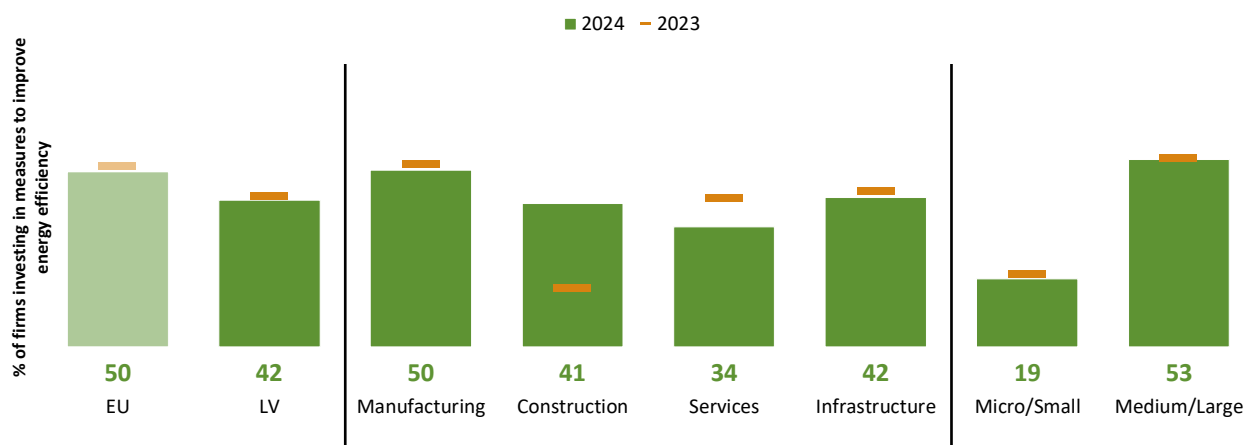
Q. Has your company invested in or implemented the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses).

# Climate change and energy efficiency

## Share of firms investing in measures to improve energy efficiency

In Latvia, 42% of firms report having invested in energy efficiency in 2023, falling below the EU average. Firms in the services sector and micro and small firms were the least likely to invest.

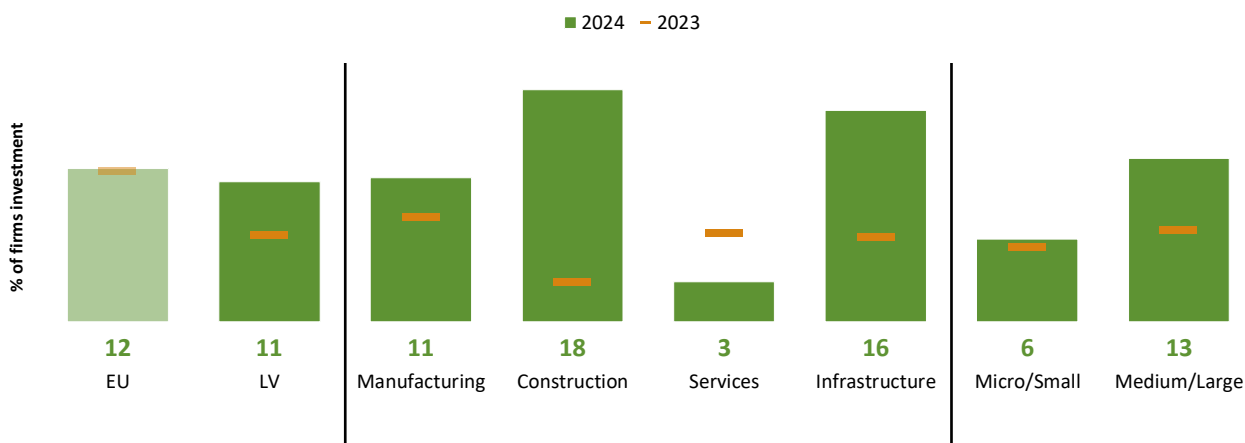


Please note: Sector and firm size show LV data only. Derived indicator based on the number of firms that reported a percentage above 0% for the amount they invested in the last financial year to improve energy efficiency.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?  
Base: All firms.

## Share of investment in measures to improve energy efficiency

Latvian firms dedicated 11% of total investment to energy efficiency in 2023, nearly matching the EU average.



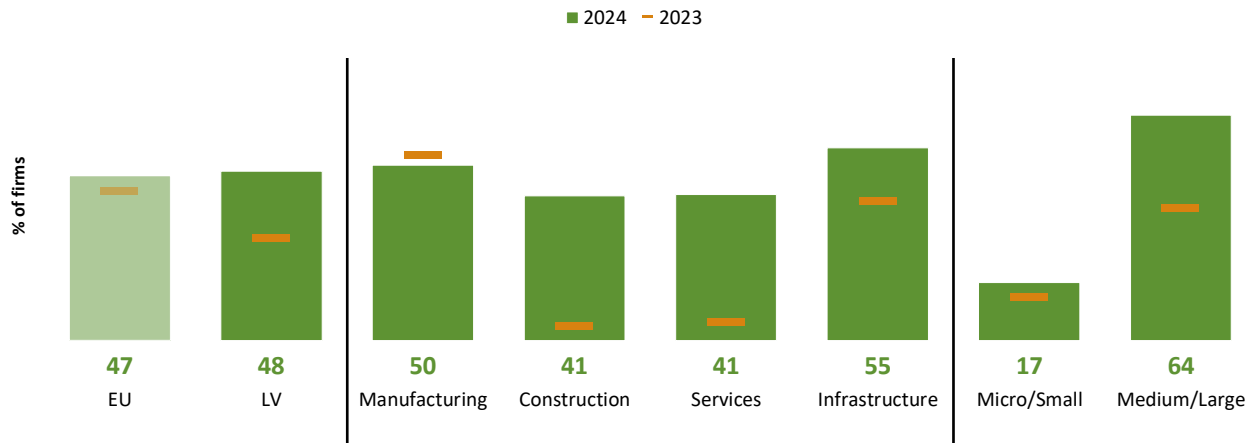
Please note: Sector and firm size show LV data only.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?  
Base: All firms that invested in the last financial year (excluding don't know/refused responses).

# Climate change and energy efficiency

## Targets for own greenhouse gas emissions

Overall, 48% of Latvian firms set and monitor greenhouse-gas emission targets, up from last year and now nearly matching the EU average. Larger firms are much more likely to do so than smaller firms. Construction and services firms increased their engagement compared to last year.

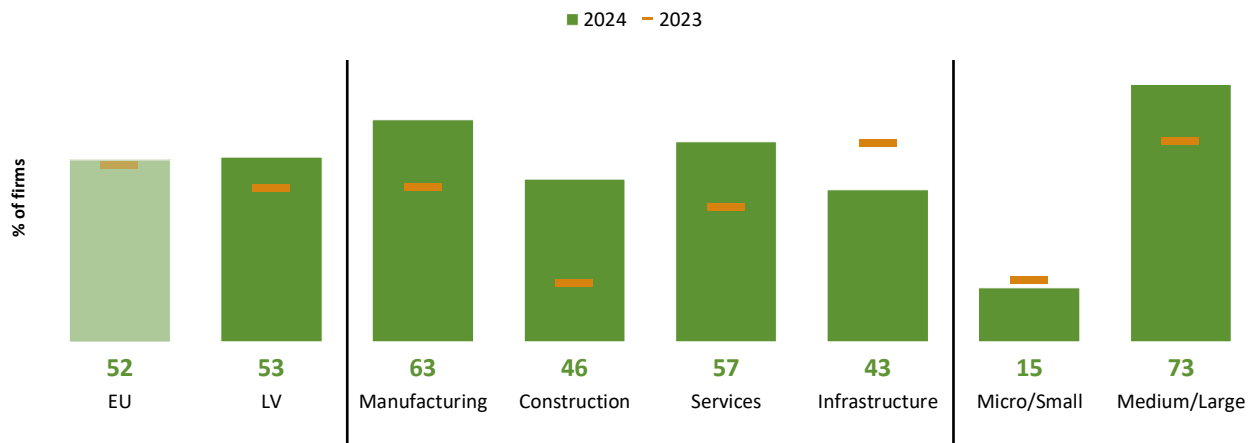


Please note: Sector and firm size show LV data only.

Q. Does your company set and monitor targets for its own greenhouse gas (GHG) emissions?  
 Base: All firms (excluding don't know/refused responses).

## Energy audit

Overall, 53% of Latvian firms have conducted energy audits in the past three years, a rise from last year's EIBIS bringing Latvian firms in line with the EU average. Medium and large firms are much more likely to implement energy audits than micro and small firms.



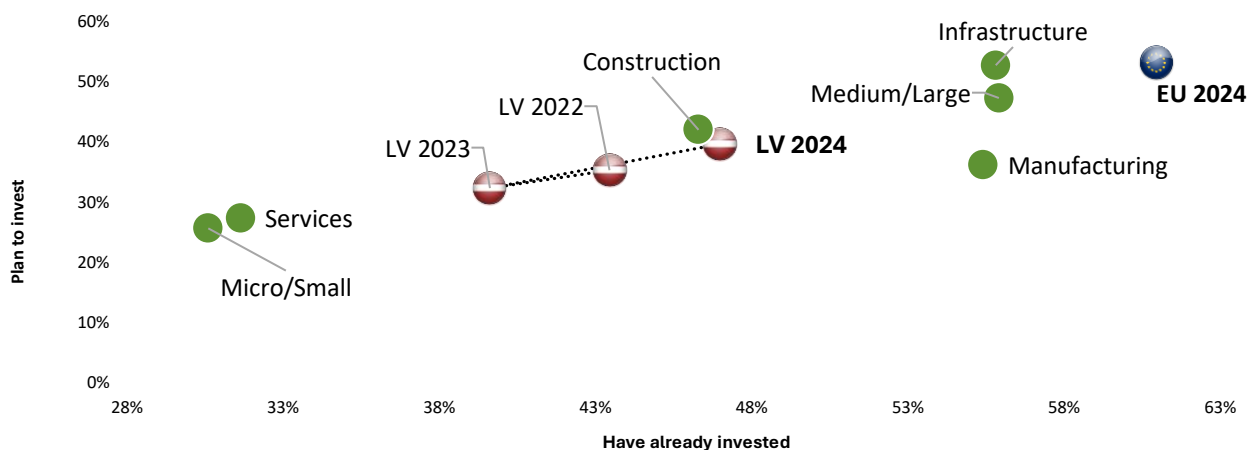
Please note: Sector and firm size show LV data only.

Q. In the past three years, has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings.  
 Base: All firms (excluding don't know/refused responses).

# Climate change and energy efficiency

## Investment plans to deal with climate change impact

Compared to EU firms, Latvian firms are less likely to have invested in mitigating climate change impacts (61% vs. 46%). They are also less likely to have future investment plans in this area. Medium and large firms, as well as those in infrastructure or manufacturing, are most ahead in their investment plans for addressing climate change.



Please note: Sector and firm size show LV data only

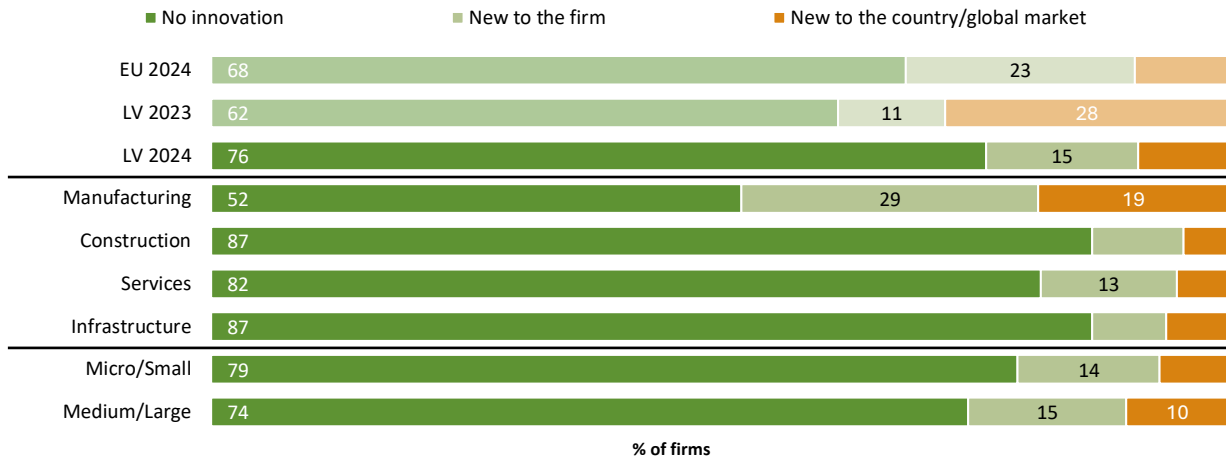
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?  
 (a) Before this year the company had already made such investments; (b) The company is investing this year; (c) The company intends to invest over the next three years; (d) The company has no investment planned for the next three years.

Base: All firms (excluding don't know/refused responses).

# Innovation activities

## Innovation activities

Only 24% of Latvian firms reported innovation activity in 2023, lower than last year and below the EU average. Manufacturing firms report the highest levels of innovation activity.



Please note: Sector and firm size show LV data only.

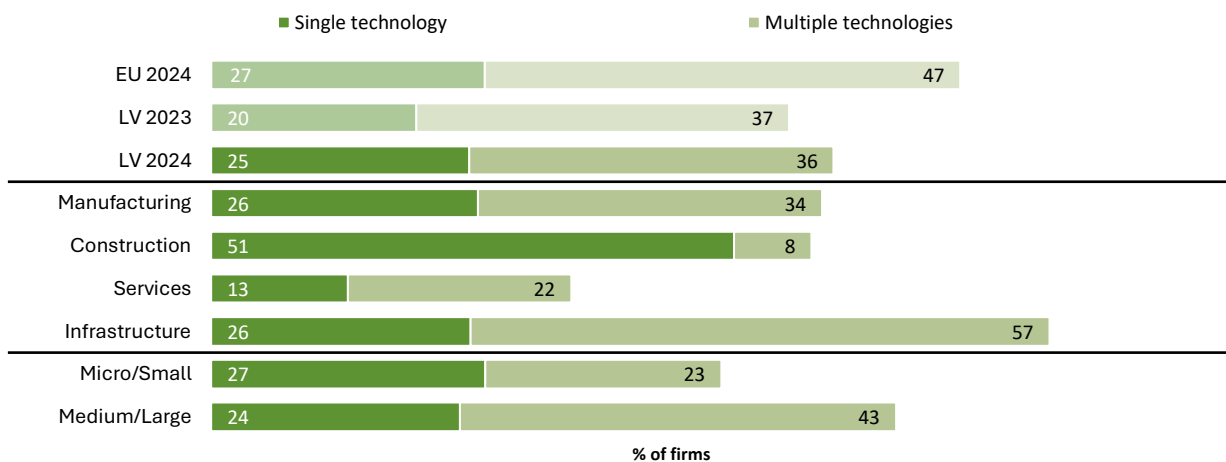
Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

Base: All firms (excluding don't know/refused responses).

## Use of advanced digital technologies

Digital technology adoption is widespread among both Latvian and EU firms, though Latvia is behind the EU average (61% vs. 74%, respectively). Latvian infrastructure firms stand out with the highest adoption levels.



Please note: Sector and firm size show LV data only.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares group responses of firms that "used" the technology, used it "in parts of business" or had the "entire business organised around it." Single technology refers to firms using one of the technologies surveyed for. Multiple technologies refers to firms using more than one of the technologies surveyed for.

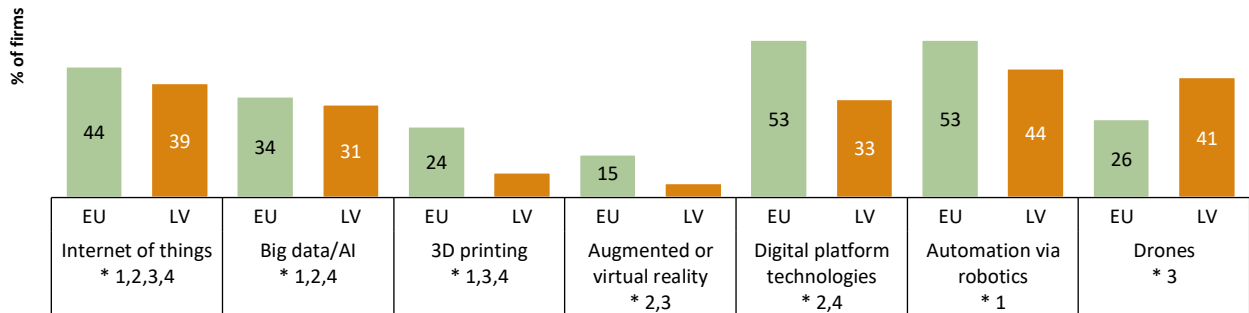
Base: All firms (excluding don't know/refused responses).

# Innovation activities

## Use of advanced digital technologies

**Adoption rates for digital technologies differ between Latvian and EU firms.** Latvian firms are less likely than EU firms to have adopted digital platform technologies, 3D printing and augmented or virtual reality. However, Latvian firms use drone technology more often than EU firms.

The technologies asked about differ by sector



**Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms**

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

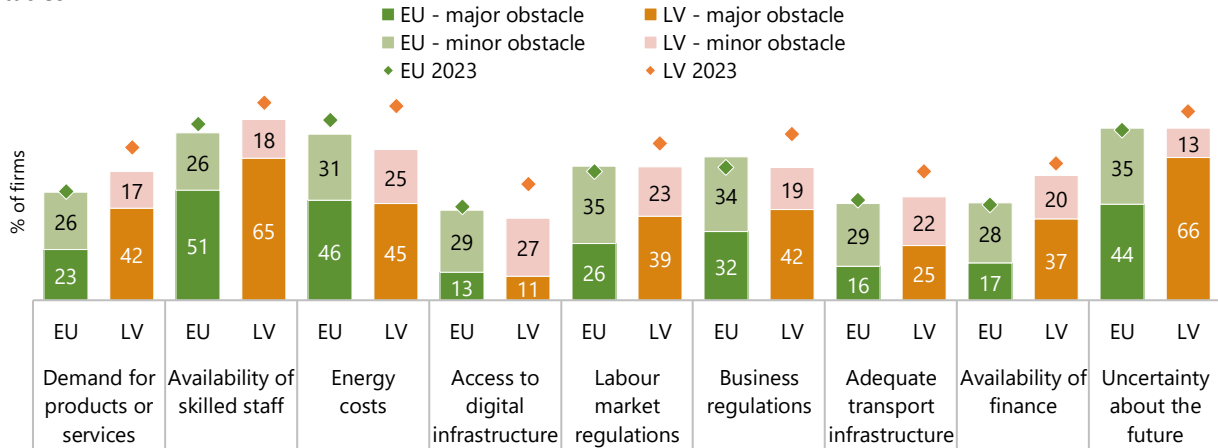
*Reported shares group the responses of firms that implemented the technology "in parts of business" or had the "entire business organised around it."*

*Base: All firms (excluding don't know/refused responses).*

# Investment barriers

## Obstacles to investment

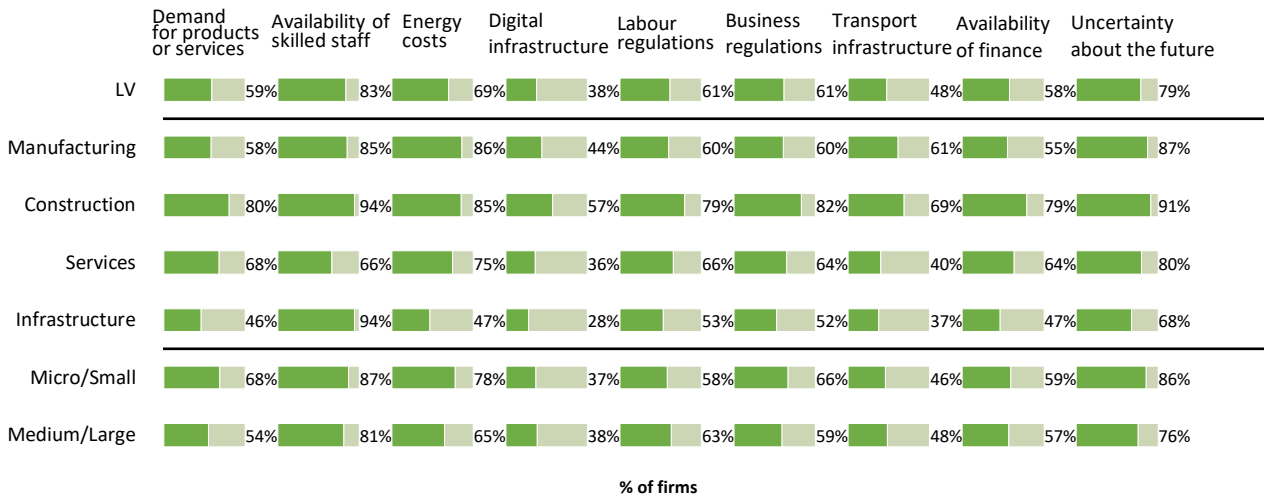
Firms' views on some investment barriers have improved since last year's EIBIS, especially regarding energy costs, availability of skilled staff, digital infrastructure, labour market and business regulations. Latvian and EU firms hold largely similar views, with availability of skilled staff and uncertainty about the future being the primary investment obstacles.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?  
 Base: All firms (data not shown for not an obstacle at all/don't know/refused responses).

## Obstacles to investment, by sector and firm size

Firms in the construction sector tend to face more investment obstacles than firms in other sectors.



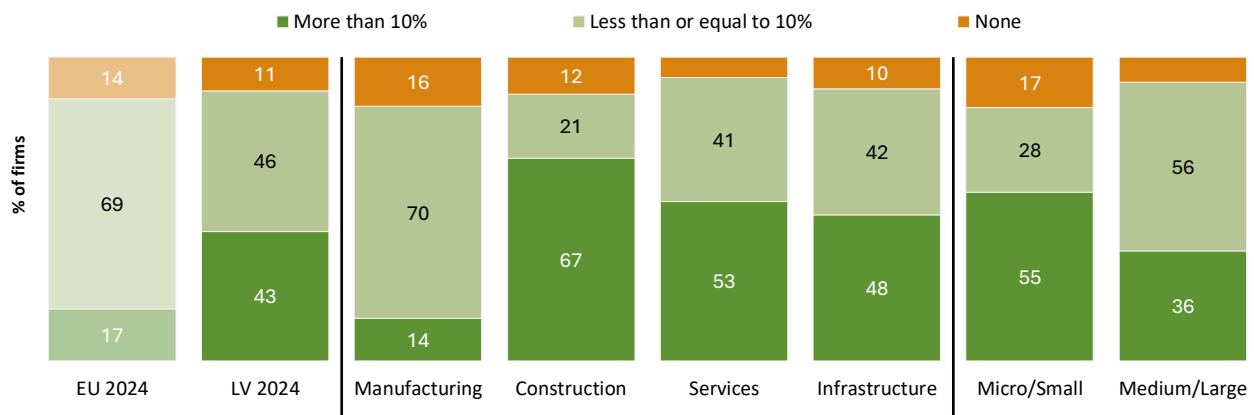
Please note: Sector and firm size show LV data only.

Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?  
 Reported shares combine "minor" and "major" obstacles into one category.  
 Base: All firms (data not shown for not an obstacle at all/don't know/refused responses).

# Room for streamlining, and for strengthening the single market

## Firms by share of staff employed to meet regulatory requirements

Overall, **89% of Latvian firms employ staff to deal with regulatory compliance.** Compared to the EU average, the regulatory burden is particularly high for Latvian firms with around 43% employing more than 10% of their staff to assess and comply with regulation.



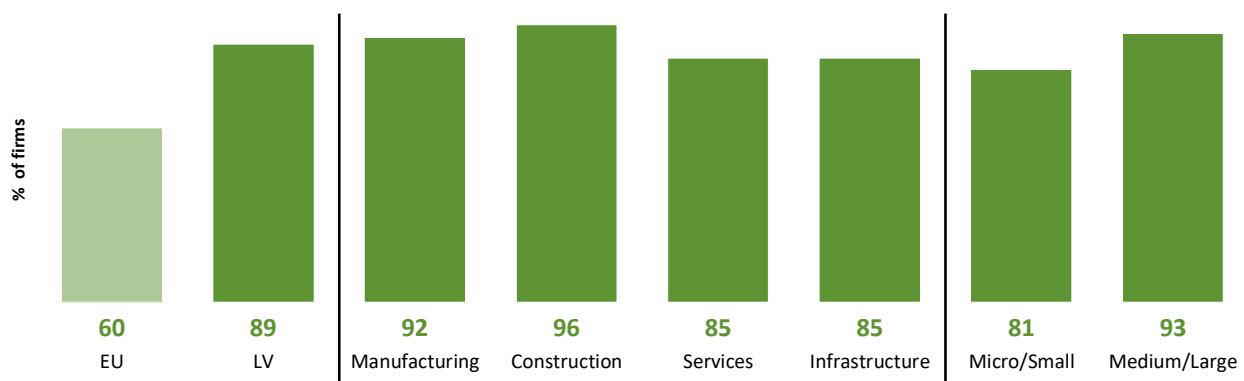
Please note: Sector and firm size show LV data only.

Q. How many staff does your company employ to assess and comply with mandatory or voluntary regulatory requirements and standards and to fulfil reporting requirements related to those?

Base: All firms (excluding don't know/refused responses).

## Main product or service subject to varying requirements and standards across countries

Most Latvian exporters (**89%**) report that they have to comply with different standards and consumer protection rules across EU countries. This is higher than in the EU average (60%).



Please note: Sector and firm size show LV data only.

Q. Does your main product or service have to comply with differentiated regulatory requirements, standards or consumer protection rules across EU member states?

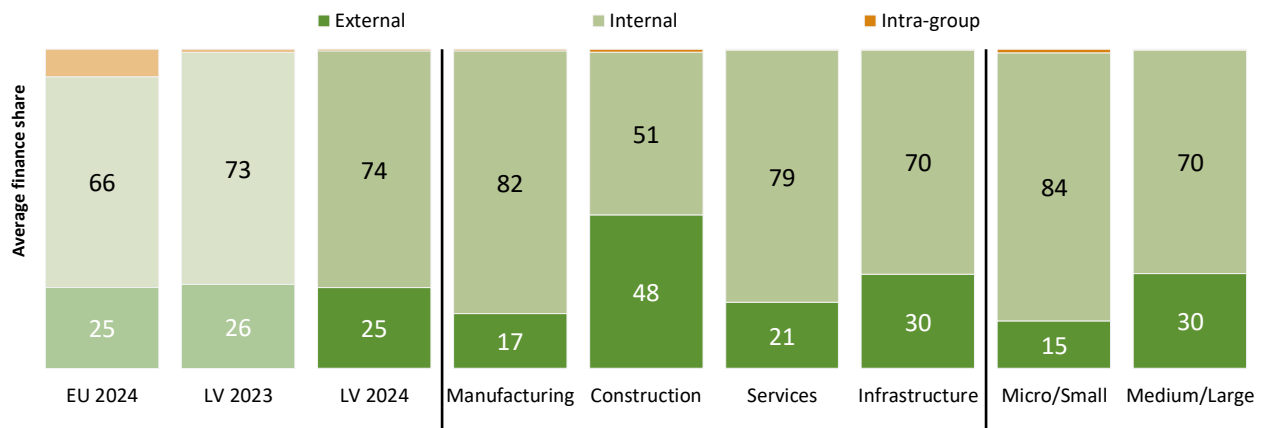
Base: All firms that export (excluding don't know/refused responses).



# Access to finance

## Source of investment finance

Almost three-quarters of investment in Latvia was financed internally in 2023, above the EU average. A quarter of investment was financed externally. Manufacturing and medium/large firms had the highest share of investment financed internally.

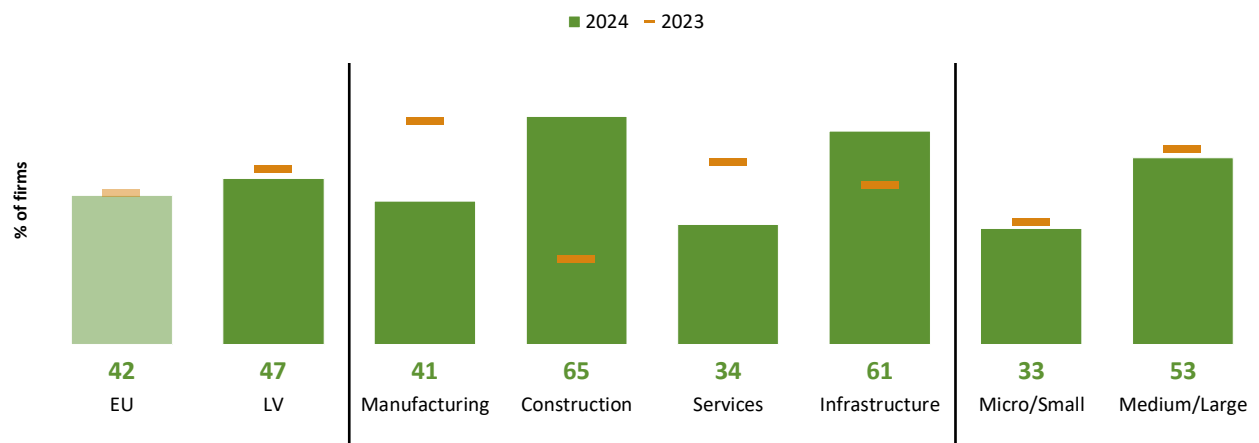


Please note: Sector and firm size show LV data only.

Q. Approximately, what proportion of your investment in the last financial year was financed by each of the following?  
 Base: All firms that invested in the last financial year (excluding don't know/refused responses).

## Use of external finance

Overall, 47% of Latvian firms relied on external finance in the last financial year, consistent with EU firms and the findings in EIBIS 2023. While manufacturing and services firms lowered their reliance on external finance compared to last year, construction firms increased their use.



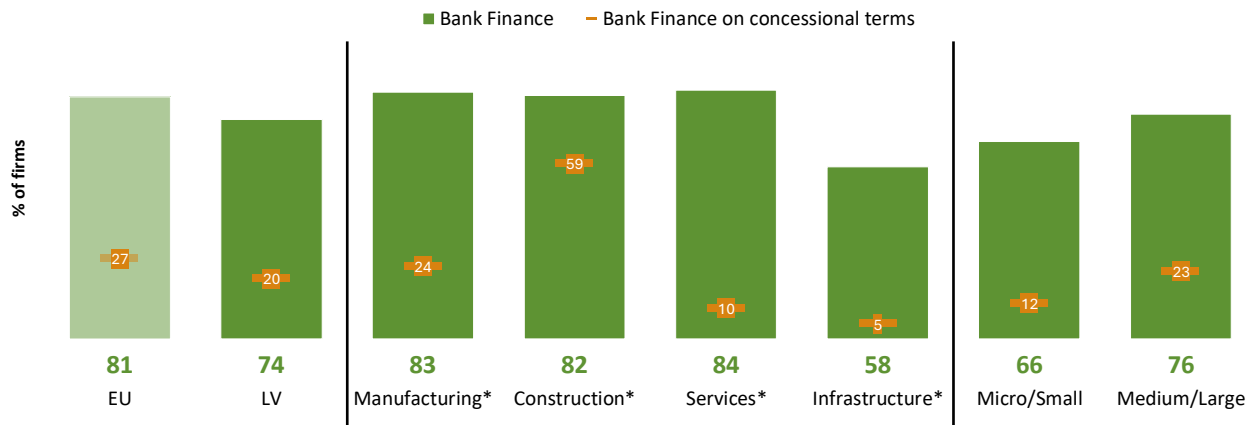
Please note: Sector and firm size show LV data only.

Q. Approximately, what proportion of your investment in the last financial year was financed from each of the following?  
 Base: All firms that invested in the last financial year (excluding don't know/refused responses).

# Access to finance

## Use of bank finance and bank finance on concessional terms

For Latvian firms using external finance, bank financing is the dominant source, though slightly less than for EU firms. Around one in five Latvian firms using external finance have bank loans with concessional terms.



Please note: Sector and firm size show LV data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

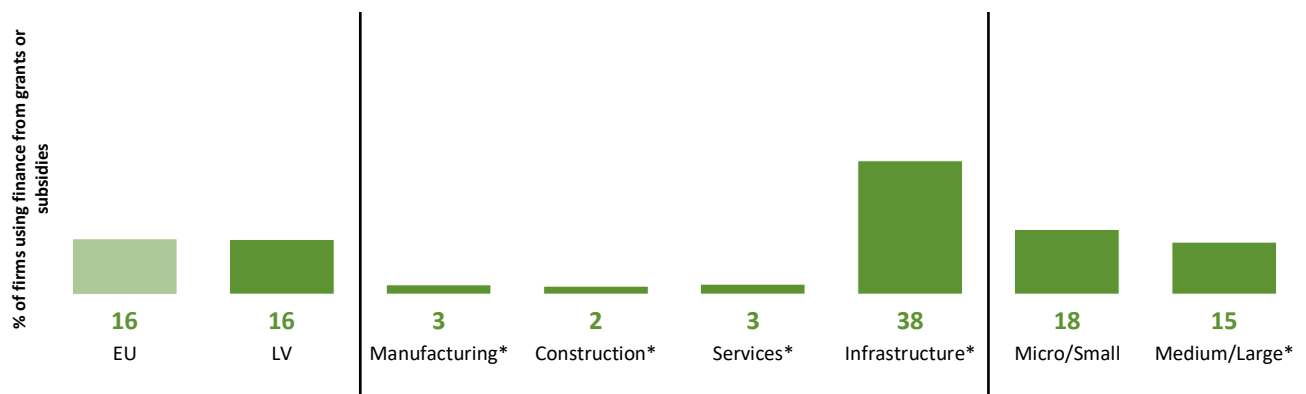
Q. Was any of the bank finance you received on concessional terms (e.g., subsidised interest rate, longer grace period to make debt payments)?

Base: All firms using external finance (excluding don't know/refused responses).

\* Caution: base size is low, it is less than 30 observations.

## Firms with finance from grants or subsidies

Latvian firms utilise finance from grants or subsidies at the same rate as firms across the EU.



Please note: Sector and firm size show LV data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

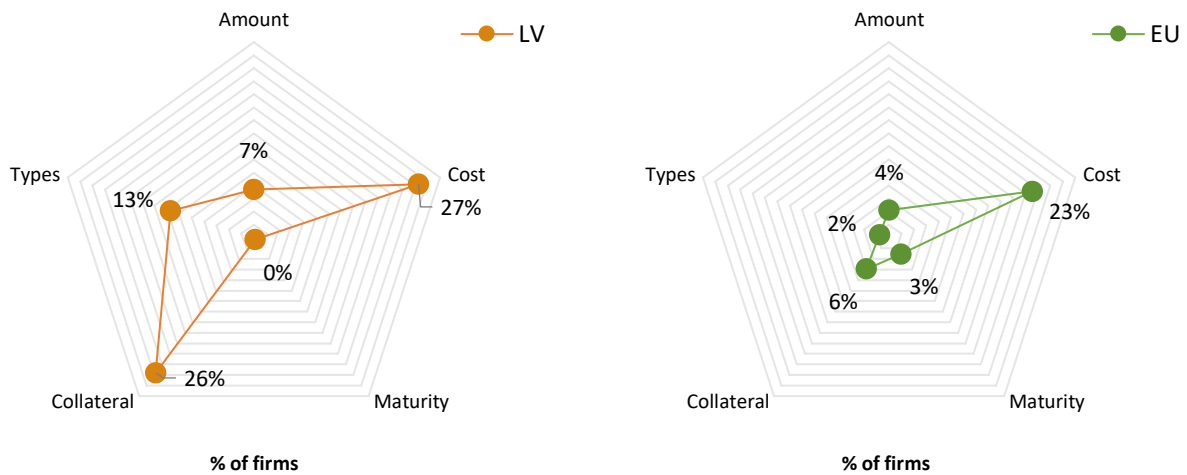
Base: All firms using external finance (excluding don't know and refused responses).

\* Caution: base size is low, it is less than 30 observations.

# Access to finance

## Dissatisfaction with external finance received

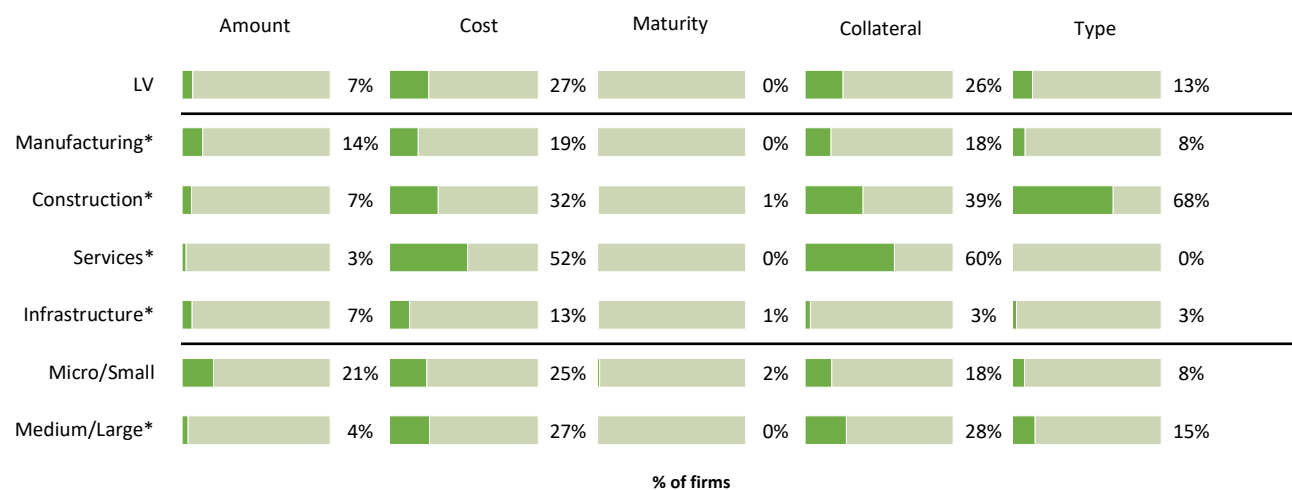
Levels of dissatisfaction are highest for the cost of finance, in both Latvia and the EU. Latvian firms are also concerned about collateral and the type of external finance received.



Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with ...?  
 Base: All firms that used external finance in the last financial year (excluding don't know and refused responses).

## Dissatisfaction with external finance received, by sector and firm size

Around a quarter of Latvian firms report dissatisfaction with the cost of external finance and collateral requirements (27% and 26%, respectively).



Please note: Sector and firm size show LV data only.

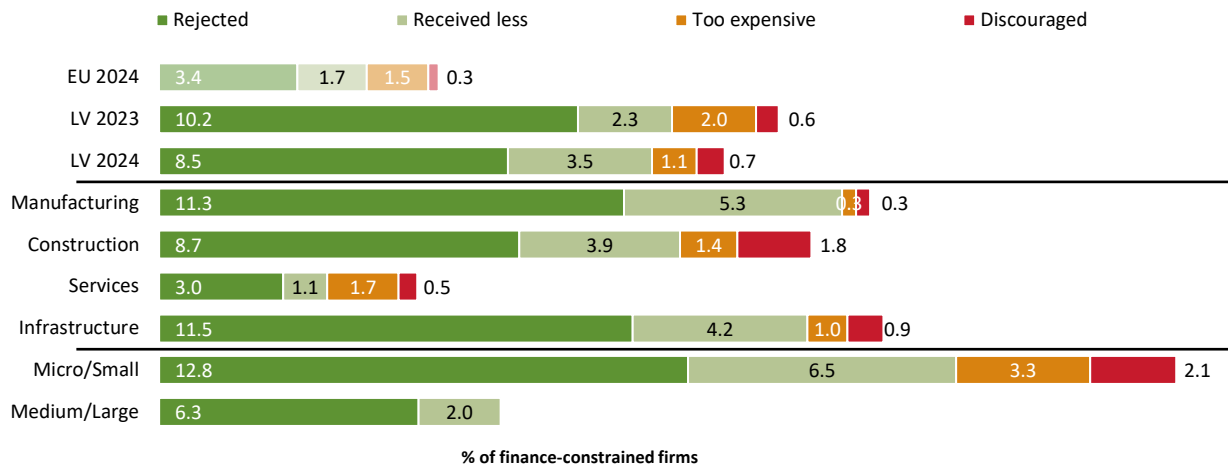
Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with ...?  
 Base: All firms that used external finance in the last financial year (excluding don't know/refused responses).

\* Caution: base size is low, it is less than 30 observations.

# Access to finance

## Share of finance-constrained firms

The share of financially-constrained firms in Latvia has declined slightly from the previous year's findings. However, Latvian firms are more financially constrained than EU firms, mainly driven by a higher share of firms whose applications were rejected.

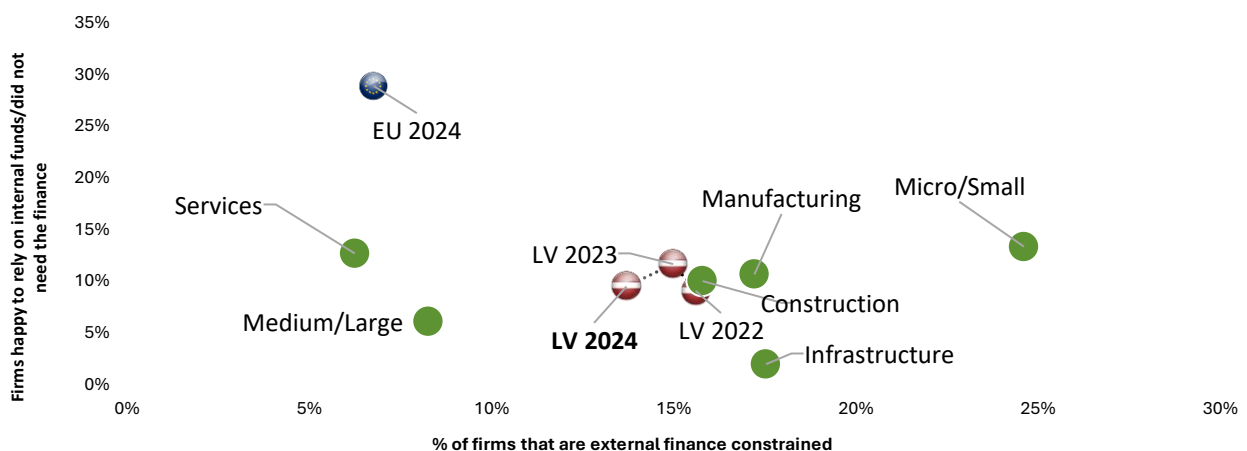


Base: All firms (excluding don't know/refused responses). Please note: Sector and firm size show LV data only.



## Financing cross

Since last year, the share of firms who are financially constrained has fallen slightly but remains higher than among EU firms. The share of firms that are happy to rely on internal finance has remained stable and remains lower than the EU average.



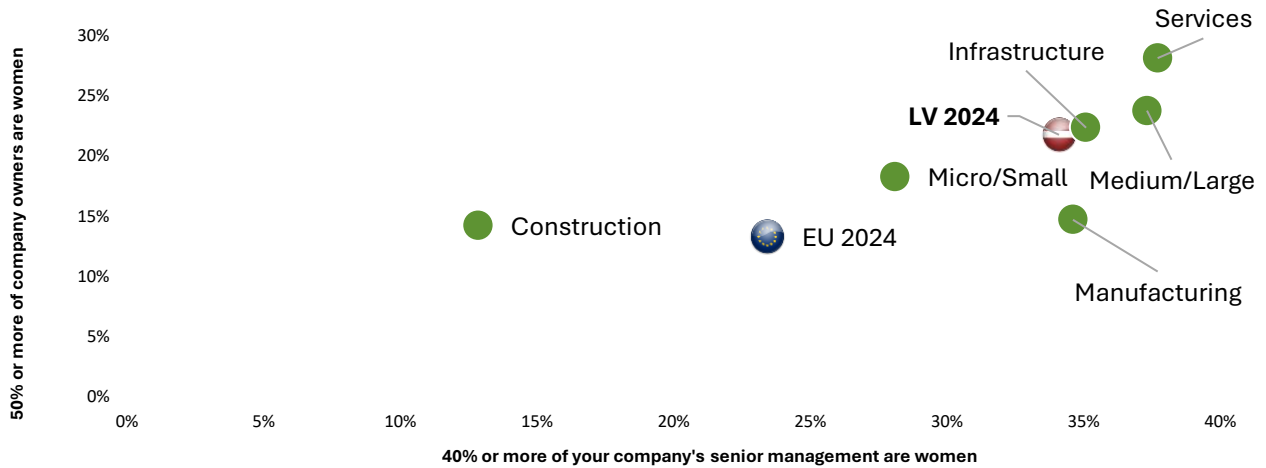
Please note: Sector and firm size show LV data only. Data derived from the financial constraint indicator and firms indicating that the main reason for not applying for external finance was "happy to use internal finance/didn't need finance."

Base: All firms (excluding don't know/refused responses).

# Gender equality in business

## Firms by share of women in senior roles

**Firms in Latvia are ahead of EU firms in terms of gender equality in business.** In Latvia, 34% of firms have over 40% women in senior management roles, compared to 23% of firms in the EU. Additionally, 22% of Latvian firms are majority-owned by women (50% or more ownership), whereas in the EU, this is true for only 13% of firms in EIBIS 2024.



Please note: Sector and firm size show LV data only.

Q. Which of the following, if any, apply to your company: 50% or more of your company's owners are women; 40% or more of your company's senior management are women?

Base: All firms (excluding don't know/refused responses)

# EIBIS 2024: Country technical details

## Sampling tolerances applicable to percentages at or near these levels

The final database is based on a sample rather than the entire population of firms in the European Union, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	LV	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large	EU vs. LV	Manuf. vs. Constr.	Micro/Small vs. Medium/Large
	(12 033)	(400)	(110)	(87)	(110)	(93)	(353)	(47)	(12 033 vs. 400)	(110 vs. 87)	(353 vs. 47)
10% or 90%	1.1%	6.5%	10.0%	7.5%	13.8%	11.6%	3.0%	9.7%	6.6%	19.2%	10.1%
30% or 70%	1.7%	9.9%	15.3%	11.5%	21.1%	17.7%	4.5%	14.8%	10.0%	29.4%	15.5%
50%	1.9%	10.8%	16.7%	12.5%	23.0%	19.3%	4.9%	16.2%	11.0%	32.1%	16.9%

## Glossary

<b>Construction sector</b>	Based on the NACE classification of economic activities: firms in group F (construction).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>Investment</b>	A firm is considered to have invested if it spent more than €500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in the current financial year compared to the last one, and the proportion of firms with a share of investment greater than €500 per employee.
<b>Large firms</b>	Firms with at least 250 employees.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities: firms in group C (manufacturing).
<b>Services sector</b>	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
<b>SMEs</b>	Small and medium companies (firms with between five and 249 employees).

## EIBIS 2024: Country technical details

The country overview presents selected findings based on telephone interviews with 400 firms in Latvia (carried out between April and July 2024).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference <i>*Chart with multiple bases — due to limited space, only the lowest base is shown.</i>	EU 2024	LV 2024/2023	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large
All firms, p. 4 (bottom), p. 7 (top), p. 7 (bottom), p. 12 (top)	12033	400/401	110	87	110	93	353	47
All firms (excluding don't know/refused responses), p. 4 (top)	11693	378/382	105	79	107	87	334	44
All firms that invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10213	289/269	85	61	78	65	246	43
All firms that invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	10021	306/287	91	67	82	66	264	42
All firms (excluding response "Company didn't exist three years ago"), p. 6 (top)	12020	399/401	109	87	110	93	352	47
All firms (excluding don't know/refused responses), p. 6 (bottom)	11773	388/397	109	83	106	90	344	44
All firms (excluding don't know/refused responses), p. 8 (top)	11998	400/399	110	87	110	93	353	47
All importers and exporters (excluding /don't know/refused responses),* p. 8 (bottom)	7343	233/235	89	30	69	45	199	34
All firms (excluding don't know/refused responses) p. 9 (left)	11961	396/396	108	85	110	93	349	47
All firms that import (excluding don't know/refused responses) p. 9 (right)	6092	166/279	55	23	58	30	144	22
All firms (excluding don't know/refused responses), p. 10 (top)	11940	398/396	109	86	110	93	351	47
All firms (excluding don't know/refused responses) p. 10 (bottom)	11938	397/398	109	87	110	91	350	47
All firms (excluding don't know/refused responses), p. 11 (top)	11498	375/357	101	80	103	91	332	43
All firms (excluding don't know/refused responses), p. 11 (bottom)	12005	398/396	109	87	110	92	351	47
All firms that invested in the last financial year (excluding don't know/refused responses), p. 12 (bottom)	10249	299/284	87	66	81	65	259	40
All firms (excluding don't know/refused responses), p. 13 (top)	11832	393/397	107	87	108	91	347	46
All firms (excluding don't know/refused responses), p. 13 (bottom)	11578	392/380	107	86	107	92	348	44
All firms (excluding don't know/refused responses), p. 14 (top)	11711	387/384	103	84	108	92	343	44

All firms (excluding don't know/refused responses), p. 15 (top)	11781	392/397	106	85	110	91	348	44
All firms (excluding don't know/refused responses), p. 15 (bottom)	12010	399/400	110	87	109	93	353	46
All firms (excluding don't know/refused responses), p. 16	11924	399/397	110	87	109	93	353	46
All firms (data not shown for not an obstacle at all/don't know/refused responses), p. 17	12033	400/401	110	87	110	93	353	47
All firms (excluding don't know/refused responses) p. 18 (top)	11539	384/NA	104	86	106	88	338	46
All firms that export (excluding don't know/refused responses) p. 18 (bottom)	5308	165/NA	84	12	33	36	136	29
All firms that invested in the last financial year (excluding don't know/refused responses), p. 19 (top)	10635	307/289	89	65	84	69	264	43
All firms that invested in the last financial year (excluding don't know/refused responses), p. 19 (bottom)	10635	307/289	89	65	84	69	264	43
All firms using external finance (excluding don't know/refused responses), p. 20 (top)	4174	92/37	26	18	22	26	74	18
All firms using external finance (excluding don't know and refused responses), p. 20 (bottom)	4172	95/96	30	18	21	26	76	19
All firms that used external finance in the last financial year (excluding don't know and refused responses), p. 21	4114	86/82	28	16	18	24	69	17
All firms (excluding don't know/refused responses), p. 22 (top)	11627	372/363	102	78	106	86	327	45
All firms (excluding don't know/refused responses), p. 22 (bottom)	11627	372/363	102	78	106	86	327	45
All firms (excluding don't know/refused responses), p. 23	11947	397/NA	110	86	110	91	351	46





**EIB INVESTMENT SURVEY 2024**

# **LATVIA**

**OVERVIEW**



**European  
Investment Bank**