European Centre for the Development of Vocational Training

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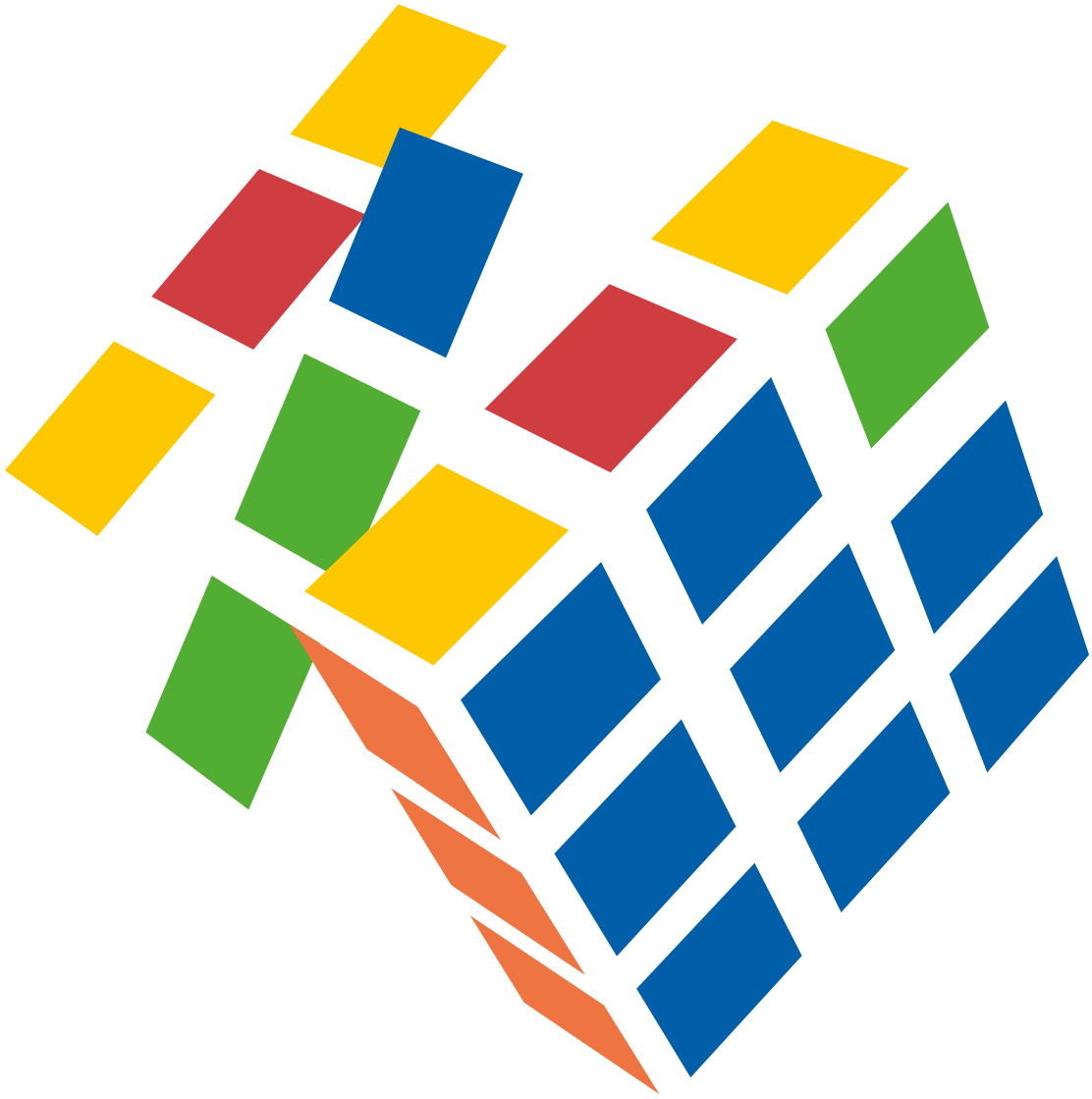
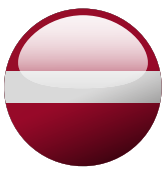


2025 skills forecast

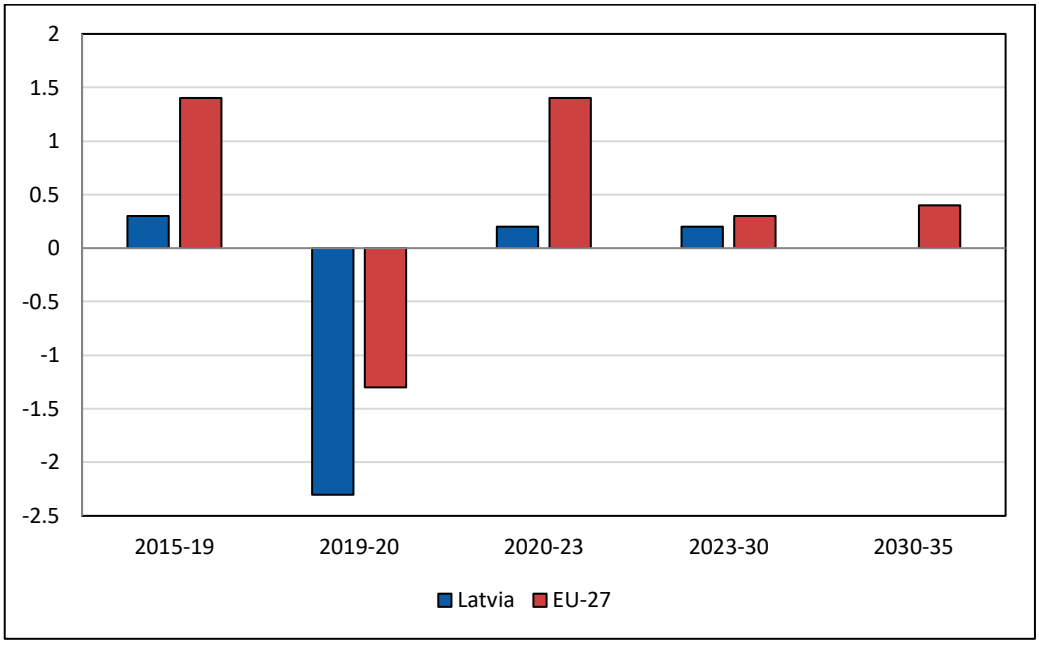
Latvia



1. Employment outlook

Employment in Latvia is forecast to grow slowly over the forecast period. Figure **1** shows that employment in Latvia grew slowly over 2015-19, compared with fairly strong growth in the EU-27 as a whole over the same period, and fell more sharply than the EU-27 in 2020 as the Covid-19 pandemic hit. Employment in Latvia is estimated to have grown only weakly over 2020-23, while it is estimated to have bounced back in the EU-27 as a whole over the same period. Across the forecast period, employment in Latvia is forecast to grow slowly, by around 0.2% pa over 2023-30 and no growth over 2030-35, compared with growth of around 0.3-0.4% pa for the EU-27 as a whole over the whole forecast period.

Figure 1**.** **Annual percentage employment growth in Latvia and the EU-27, 2015-35**



Source: Cedefop (2025 Skills Forecast).

2. Labour force overview

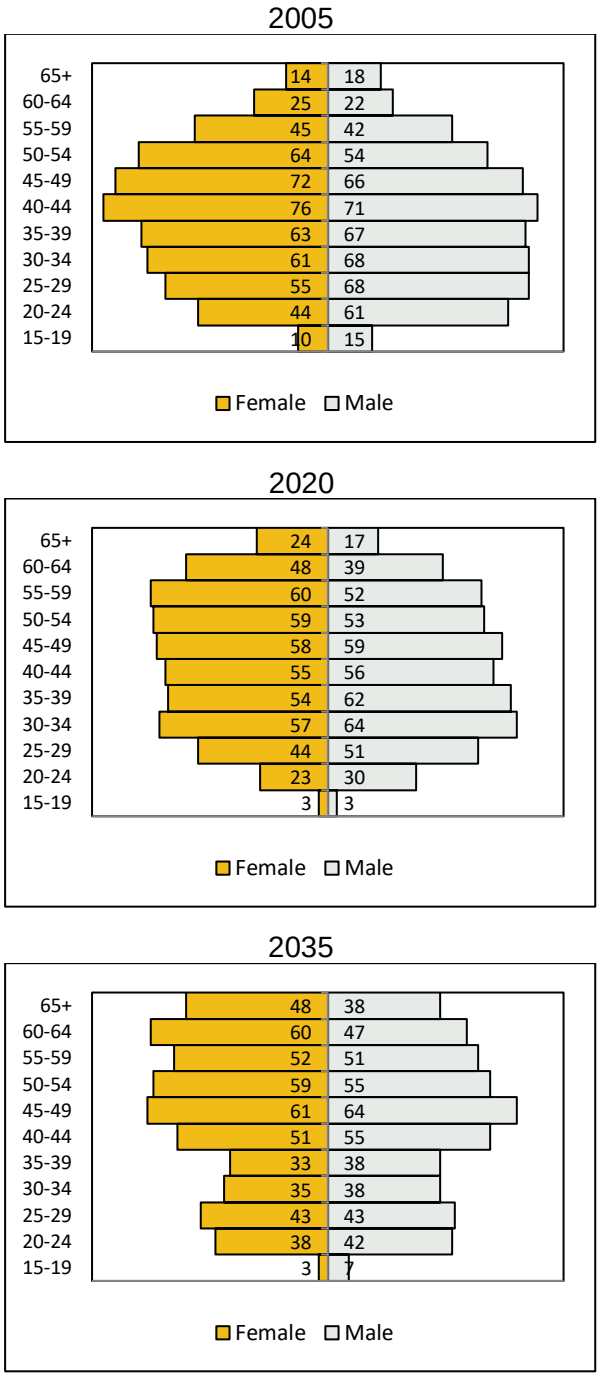
Figure **2** shows Latvia's labour force by age group in 2005, 2020 and 2035. Changes in the labour force in Latvia over the forecast period will continue to be driven by the ageing population and increasing participation rates in most age groups. The total labour force in Latvia is projected to fall by just over 1% over 2020-35, compared with a fall of 10% over the previous 15 years. This compares with an expected increase in the labour force of just under 10% over 2020-35 for the EU-27. The total participation rate in Latvia is forecast to increase by 6 pp over 2020-35, faster than change of 4 pp in the total rate forecast for the EU-27. The total population is forecast to fall by more than 10% over 2020-35, compared with a fall of 16% over 2005-20.

The population aged 25-64 in Latvia is forecast to fall quite strongly during 2020-35, especially among the younger age groups, with only the population in the age groups 15-24 and 65 and over projected to increase, reflecting trends in the relevant younger cohorts in preceding periods.

The participation rates of all age groups in Latvia are forecast to grow over 2020-35, with the strongest increases projected for the 60-64 (26 pp), and 20-24 (23 pp) and 25-29 (13 pp) age groups.

As elsewhere, female participation rates in Latvia are generally forecast to increase more than male rates, due to the lower starting point, and the female total participation rate is forecast to increase by 7 pp over 2020-35 and the male rate by 4 pp over the same period.

Figure 2. **Distribution of the labour force (thousands), 2005-35**

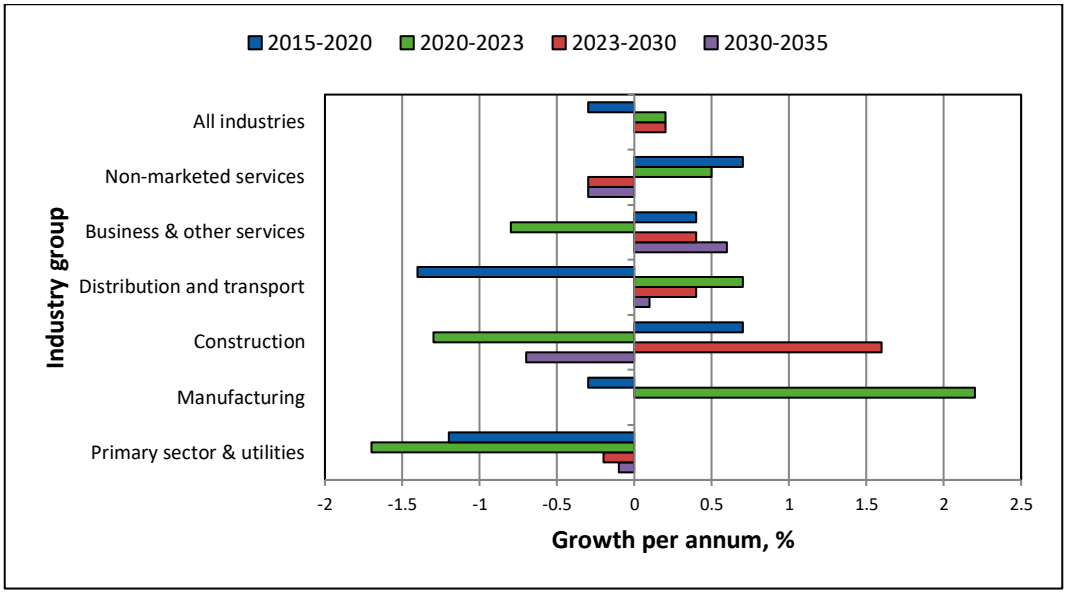


Source: Cedefop (2025 Skills Forecast).

3. Sectoral employment trends

Figure **3** shows annual average employment growth by broad sector in Latvia between 2015 and 2035. Total employment in Latvia is expected to grow very slowly over the forecast period, and the picture among the broad sectors is fairly similar. Employment in *Construction* is forecast to grow the strongest of the broad sectors over 2023-30, but employment in the sector is then forecast to fall during 2030-35. Employment in *Primary sector and utilities* and *Non-marketed services* is forecast to fall over the forecast period by around 0.1-0.3% pa. Employment in the other broad sectors is forecast to remain static or grow only weakly.

Figure 3**.** **Employment growth by broad sector of economic activity, 2015-35**



Source: Cedefop (2025 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), the pattern of growth is much more mixed. Within the *primary sector and utilities* sector, for example, the *electricity* sub-sector is forecast to see relatively strong growth over 2023-30. However, employment in the *agriculture* sub-sector (which accounted for 7.5% of total employment in Latvia in 2020), is forecast to continue falling over the same period. Within the *manufacturing* broad sector, *other machinery and equipment*, *optical and electronic equipment*, *motor vehicles, other transport equipment*, *electrical equipment* and *pharmaceuticals* are all forecast to see relatively strong employment growth (more than 1% pa, over 2023-35), while employment in the relatively large sub-sector of food, drink and tobacco (2.9% of employment in 2020) is forecast to fall by around 3% pa over the same period.

Within *distribution and transport*, employment in *warehousing and postal services* and *accommodation and catering services* (which accounted for 3.6% and 3.0% of total employment respectively in Latvia in 2020) are forecast to grow strongly over 2023-30. On the other hand, *wholesale and retail trade* (16% of employment in 2020) is forecast to see a decline in employment over the same period. In *business and other services*, the sub-sectors of *research and development*, *computer programming and information services*, *media*, *telecommunications* and *legal, accounting and consultancy services* are all forecast to grow by more than 1% pa over the whole forecast period. In *non-marketed services*, employment in the *health* sub-sector (6% of employment in 2020) is forecast to grow by only 0.2% pa over the whole forecast period, but employment in *public administration and defence* (6% of employment) and *education* (9% of employment) is forecast to slowly decline over the same period by 0.1% pa and 0.8% pa respectively.

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

4. Job openings by occupational group

Figure 4 shows the total job openings by broad occupational group over 2022-35. The number of job openings indicates the number of jobs that are required to be filled due to lost/newly created jobs and those that need replacement workers.

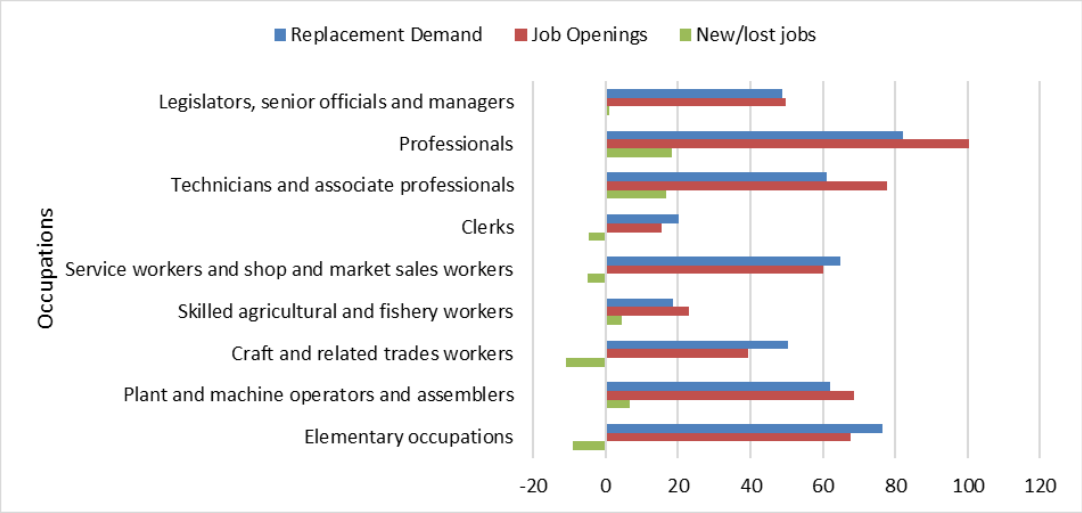
In Latvia, the job market is projected to experience substantial shifts between 2020 and 2035, affecting various occupational groups in different ways. The number of job openings will encompass both newly created jobs and replacement demand

The forecast indicates that substantial growth in job openings will occur primarily within the *technicians and associate professionals* and *professionals* categories. Among these, *professionals* are expected to have the highest number of job openings, followed by *technicians and associate professionals*.

At a more detailed level, considerable opportunities are anticipated in high-skilled, non-manual occupations. Roles such as *business and administration associate professionals*, *teaching professionals*, *chief executives, senior officials and legislators*, *business and administration professionals*, and *science and engineering associate professionals* are expected to see significant demand. These positions will make up a large portion of job openings, driven by both new roles and replacement needs.

Conversely, skilled manual occupations like *drivers and mobile plant operators* are projected to experience a high number of job openings, mainly due to strong replacement demand. Similarly, elementary occupations, including labourers in *mining, construction, manufacturing and transport*, and *cleaners and helpers*, are expected to offer many job opportunities, driven entirely by replacement needs.

Figure 4**.** **Total job openings, 2022-35**



Source: Cedefop (2025 Skills Forecast).

5. Drivers of occupational change

Within the Cedefop skills forecast, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective, employment growth can be explained by three possible drivers: (a) overall economic trends (i.e., growth or decline), (b) shifts of employment between sectors, and (c) changes in the occupational structure within sectors (i.e., factors making some occupations more important than others).

In Latvia, employment is experiencing substantial shifts, particularly in high-qualification professions and some intermediate roles. The composition of employment is evolving due to changes in occupational specialisation and industry dynamics. Among the most significant trends is the demand for *chief executives, senior officials, and legislators* is increasing. These roles are projected to grow from 34,000 to 38,000 by 2035, reflecting an 11% increase. This growth is largely attributed to a positive occupation effect, with these high-qualification positions benefiting from industry expansion and increased specialisation in leadership roles.

Similarly, the *business and other professionals* category is expected to grow substantially. The number of individuals in this field is set to increase from 44 000 to 47 000, marking a 9% rise. This trend is driven by a significant occupation effect, where the expansion of business sectors and an increase in specialised business services contribute to the demand for these roles.

Furthermore, *science and engineering associate professionals* are also projected to experience notable growth. Their numbers are anticipated to rise from 21 000 to 30 000, representing a 44% increase. This increase is driven primarily by the positive effects of industry growth and technological advancements requiring such qualifications. The rising need for technical expertise and support in science and engineering fields highlights the broader trend toward higher-level skill requirements.

Overall, the employment trends in Latvia reflect a broader shift towards high-skilled occupations, particularly in leadership, business, and technical support roles. These changes are influenced by advancements in automation, digital Europe policies, and a move towards a service-oriented economy, which together

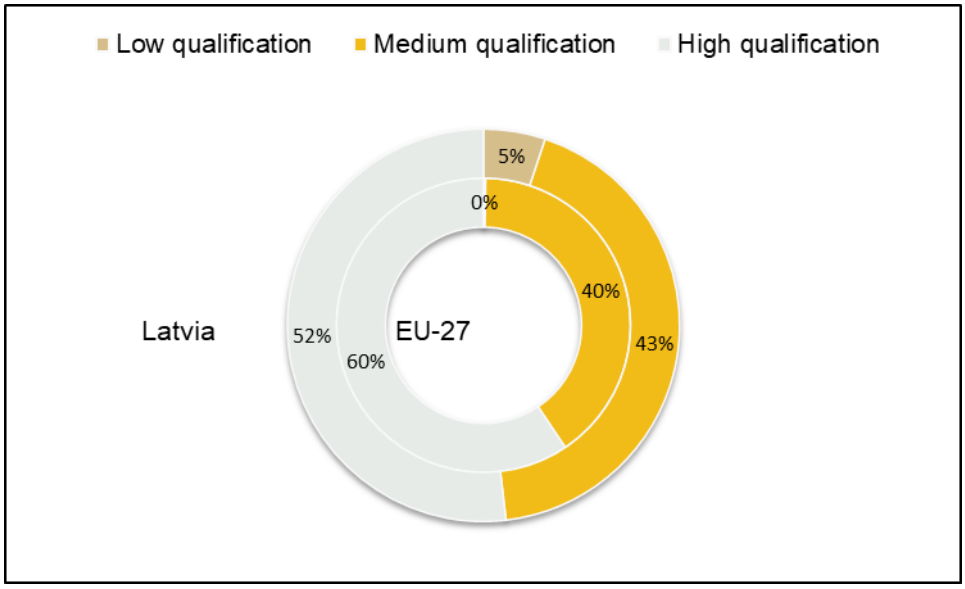
enhance the demand for higher-level professional skills while reducing the need for medium and lower-qualification positions.

6. Demand for and supply of skills

Within the Cedefop skills forecast, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished: high, medium, and low, corresponding to the official ISCED classification. The occupational group also indicates the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

In Latvia, the distribution of job openings by qualification level through to 2035 reflects a distinctive pattern compared to the EU average. As depicted in Figure **5**, a substantial portion of job openings (43%) are forecast to require medium-level qualifications. This proportion exceeds the EU-27 average by approximately 3 percentage points. Conversely, the share of job openings necessitating high-level qualifications is 52%, notably lower than the EU-27 average of 60%. However, this is still the largest category of qualifications requirement for Latvia. Meanwhile, jobs requiring low-level qualifications are forecast to make up 5% of the total openings, compared to the EU average of 0%.

Figure 5. **Shares of total job openings by level of qualification, 2022-35**



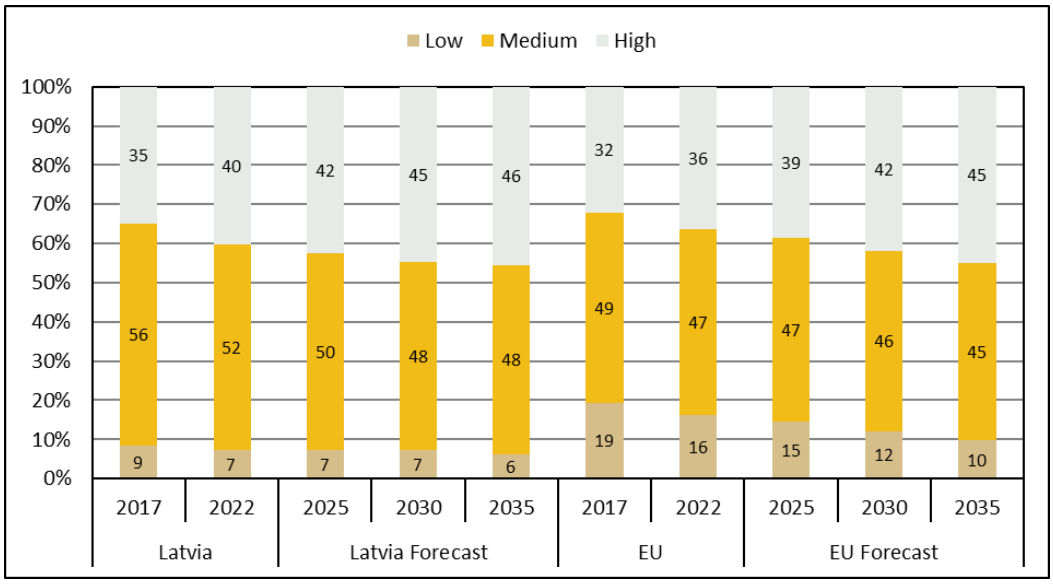
Source: Cedefop (2025 Skills Forecast).

As illustrated in Figure 6, Latvia is expected to experience some change in the shares of qualifications within its labour force over the period from 2022 to 2035. The proportion of people with high-level qualifications in Latvia is expected to rise to 46% by 2035. Meanwhile, the share of the labour force with medium-level qualifications is anticipated to remain stable, still constituting the largest qualification group, at 48%, in 2035. Those with low qualifications are projected to maintain a steady share of around 6%.

In Latvia, the proportion of the labour force with medium-level qualifications remains significantly higher than the EU-27 average. By contrast, the supply of low- and medium-skill workers in Latvia is expected to fall short of the demand by 2035, while the supply of high-skill workers is anticipated to meet the demand for those qualifications broadly. This indicates a relatively stable qualification landscape in Latvia, with a notable emphasis on medium-level qualifications compared to the broader EU trends.

Future labour supply trends depend on the size of the working-age population (defined as those aged 15 or older), labour market participation rates, and the extent to which people acquire formal qualifications.

Figure 6. **Labour force by qualification level**



Source: Cedefop (2025 Skills Forecast).

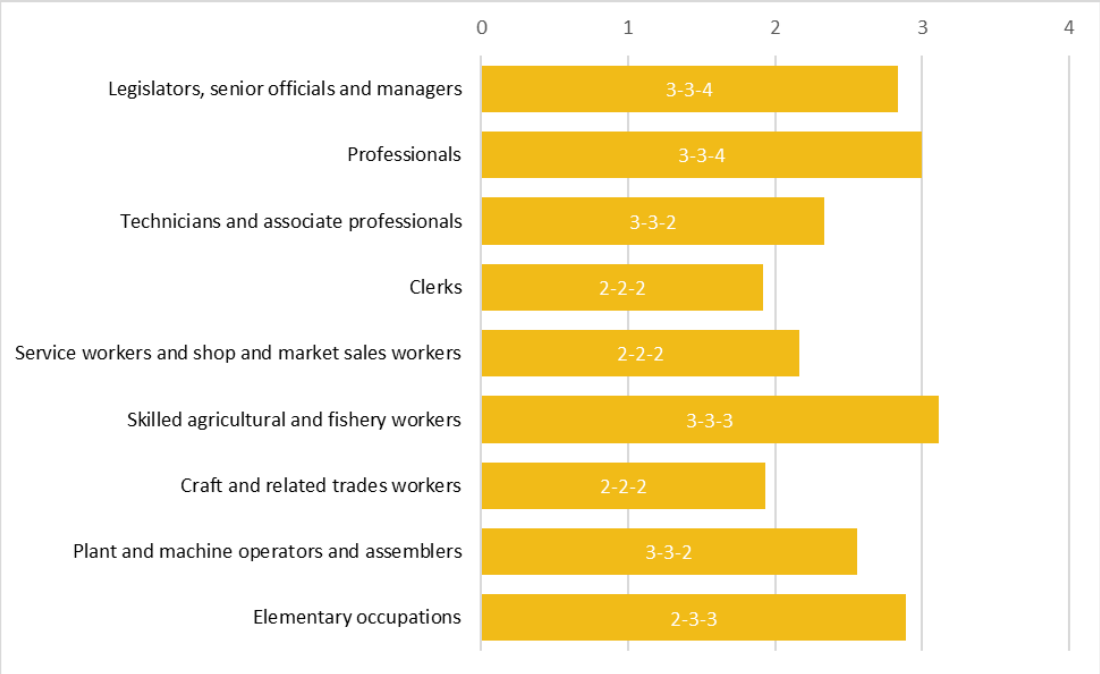
The labour shortage index is calculated at the ISCO 2-digit level and then aggregated to the ISCO 1-digit level, which is presented in Figure 7.

At the more-detailed level (2-digit), the highest value of the labour shortage index in Latvia is found among *market-oriented skilled agricultural workers*, driven by the growth of the underlying occupations along with their high replacement needs (4-4-4).

Among the skilled manual occupations, the highest shortages are expected among *assemblers* (4-3-1), who have significant employment growth and imbalances. In the realm of skilled non-manual occupations, *personal care workers* are anticipated to face the highest shortage (4-3-2), driven by the highest group of replacement demand, alongside significant employment growth and imbalances.

For high-skilled workers*, legal, social, and cultural professionals* (4-3-4) and *associated legal, social, and cultural professionals* (4-4-2) are expected to experience the highest shortages. The shortage among professionals is driven by high employment growth combined with high replacement demand, while for *associate professionals*, the shortage is primarily due to higher imbalances, given their employment of workers with intermediate qualification levels.

Figure 7. **Labour Shortage Index, 2022-35**



Source: Cedefop (2025 Skills Forecast).

Cedefop methodology

The Cedefop Skills Forecast offers quantitative projections of future trends in employment, by sector of economic activity and occupational group. Future trends in the level of education of the population and the labour force are also estimated. Cedefop's forecast uses harmonised international data and a common methodological approach allowing cross-country comparisons between employment trends in sectors, occupations and qualifications. The forecast and methodology is validated by a group of national experts. The forecast does not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of the forecast covers the period up to 2035. The forecast takes account of global economic developments up to November 2023. The European Economy is expected to grow despite monetary tightening on phasing out of fiscal support.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in June 2023 (Europop 2023) ([1]), and the short-term macroeconomic forecast produced by DG ECFIN in November 2023 ([2]). The source of historical labour force data is the European Labour Force Survey, which in 2022 underwent important methodological changes, causing a break in the time series for several variables, including the labour force. Consequently, in many Member States, the participation rates in 2021 are noticeably above/below historical trends. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2025 is consistent with the objectives set by the European Green Deal by incorporating suitable assumptions about additional investment, power sector technologies, energy balances, and carbon pricing.

Energy and commodity price forecasts from the World Bank and the IEA are used as inputs to the Cedefop Skills Forecast.

([1]) https://ec.europa.eu/eurostat/web/population-demography/population-projections/database

([2]) https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2023-economic-forecast-modest-recovery-ahead-after-challenging-year_en

For the latest update and access to more detailed Cedefop skills forecast data please visit:
www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply

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