

IT Sector Development in Latvia

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Agenda

- Growing IT industry in Latvia
- IS Cluster activities
- Industry Contribution in Vocational Education

IT Sector in Latvia

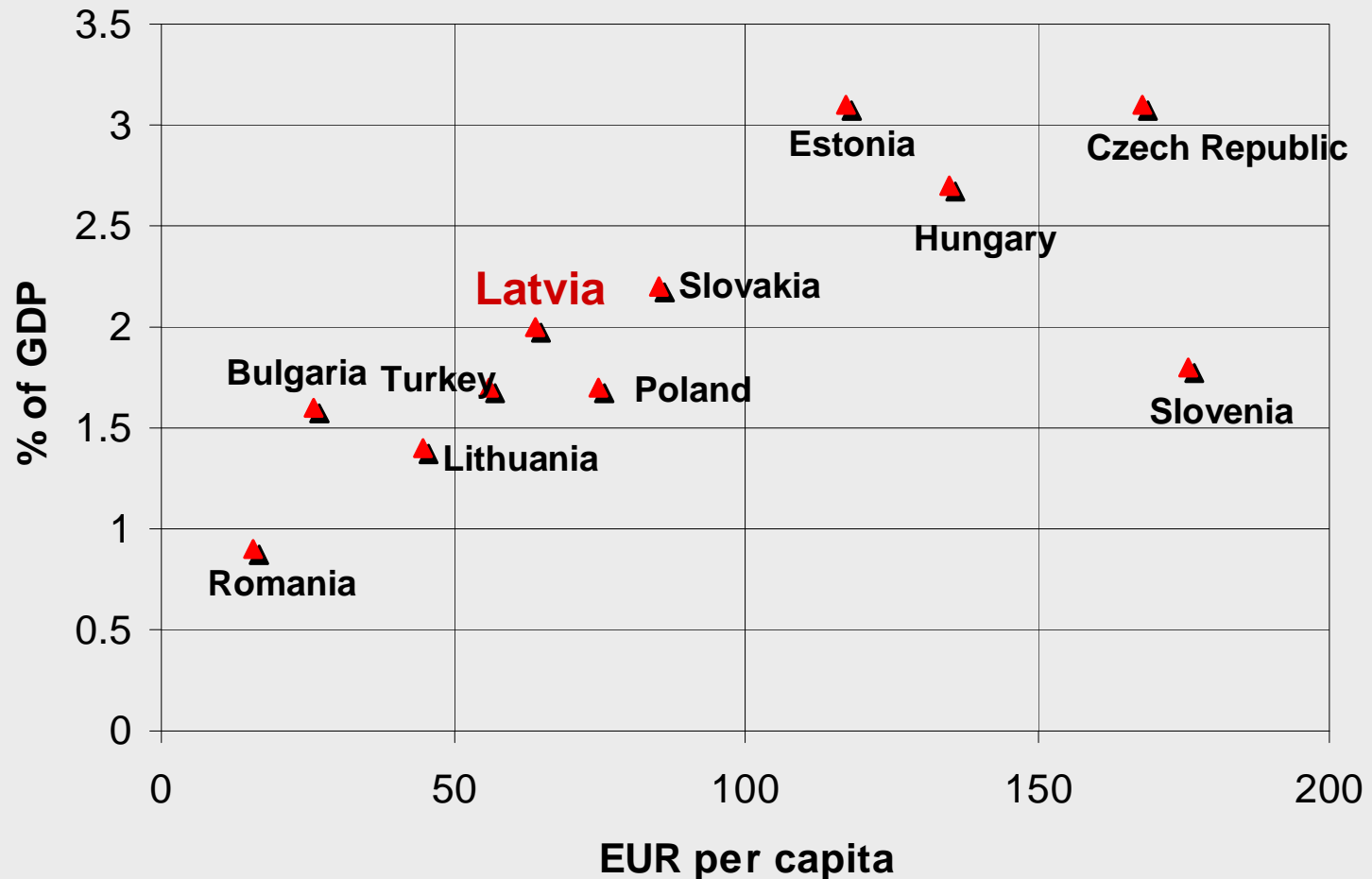
- Fast developing industry
- Supported by strong R&D capacity

Latvia's IT Sector in Figures (2001)

- Production of ICT goods and services
4.6% of GDP
- Annual growth in SW development ~15%
- FDI in the IT sector LVL 9.3M
- About 10 000 IT professionals
- Internet users ~ 9% of population

Source: Report of ME, June 2002

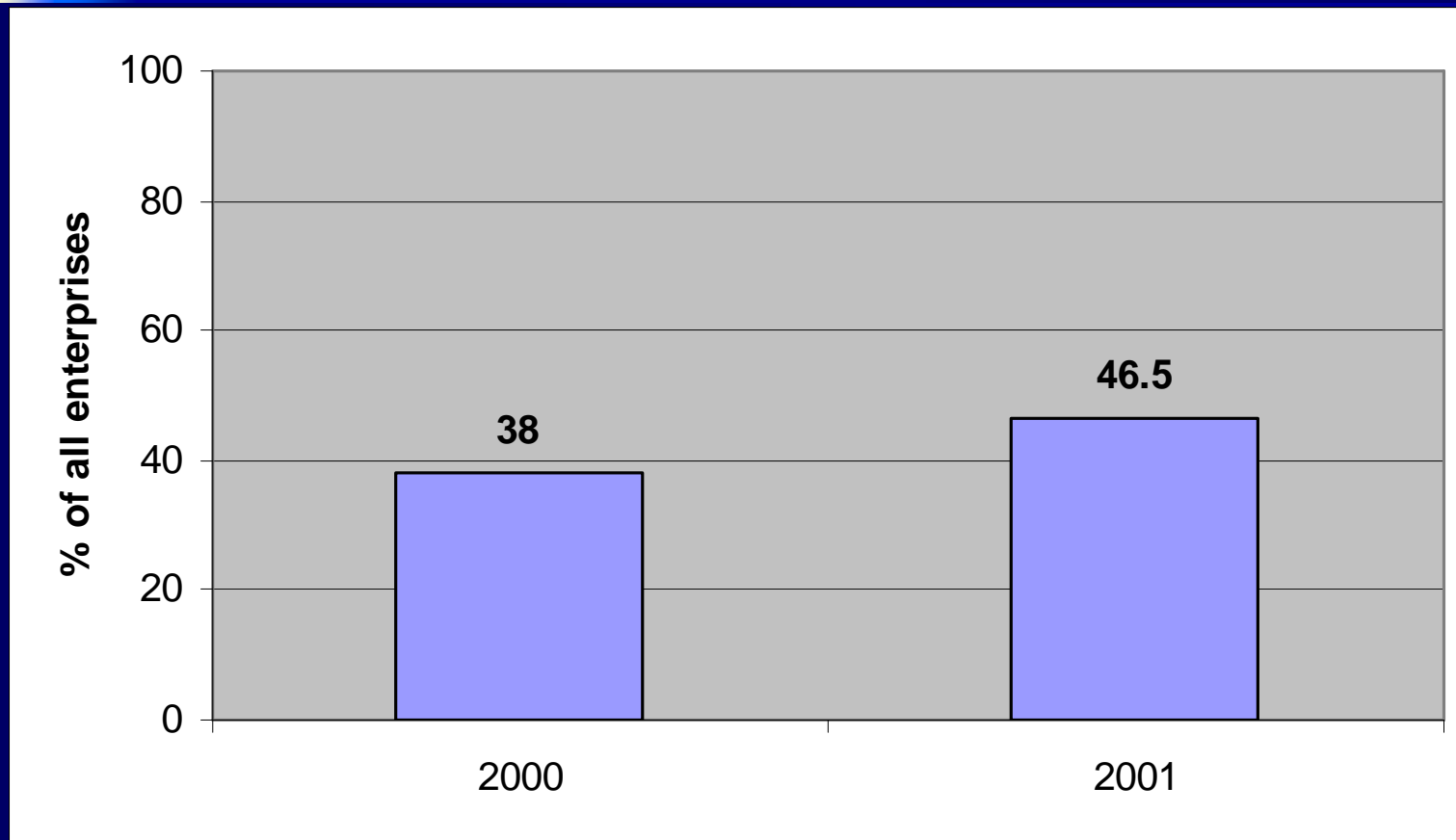
IT expenditures/GDP vs IT per Capita



WE average: EUR 600 per Capita / 3.0% of GDP

Source: Report of ME, June 2002

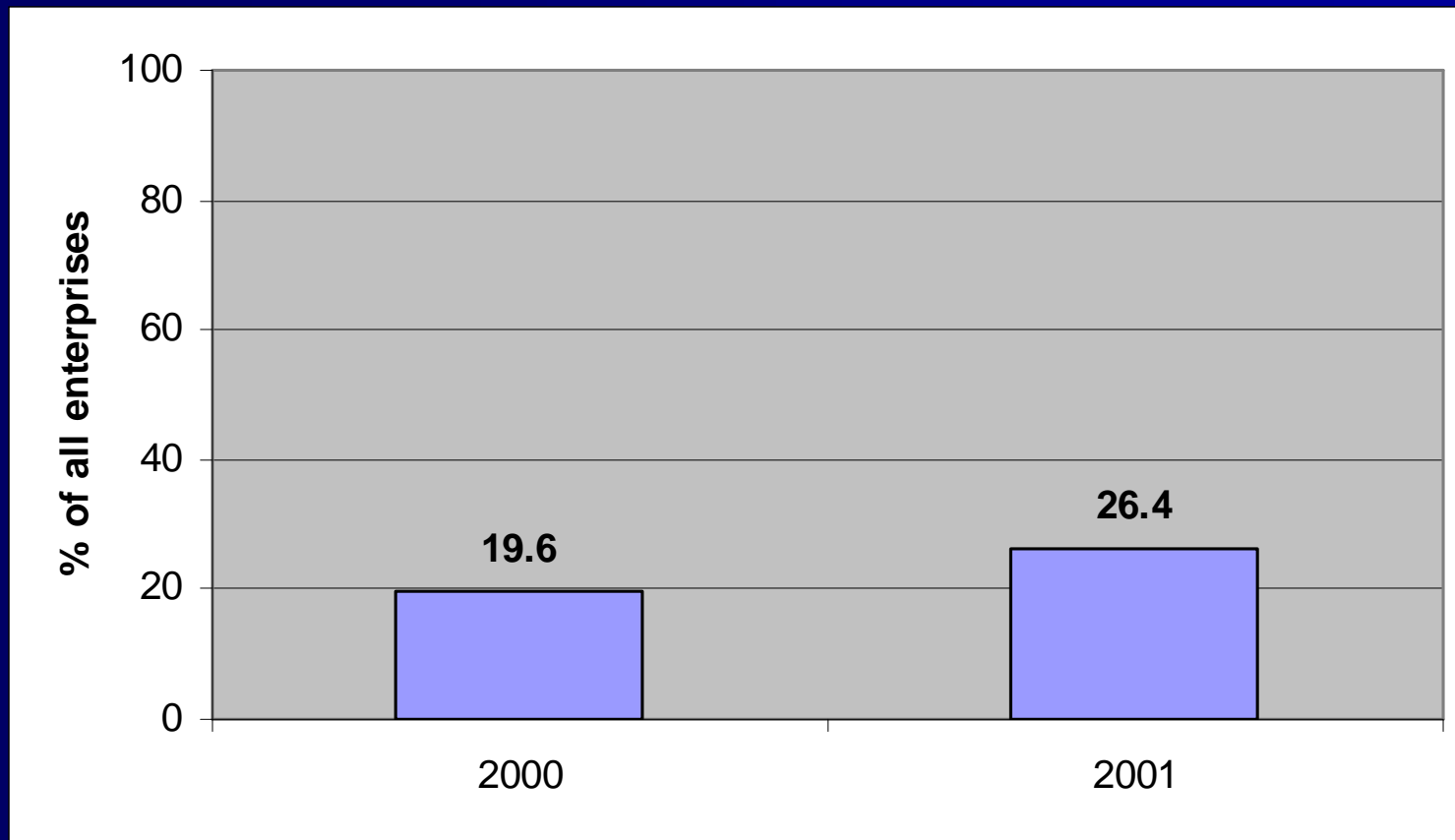
Computerization level of enterprises in Latvia



Source: CSB, 2002

22% growth

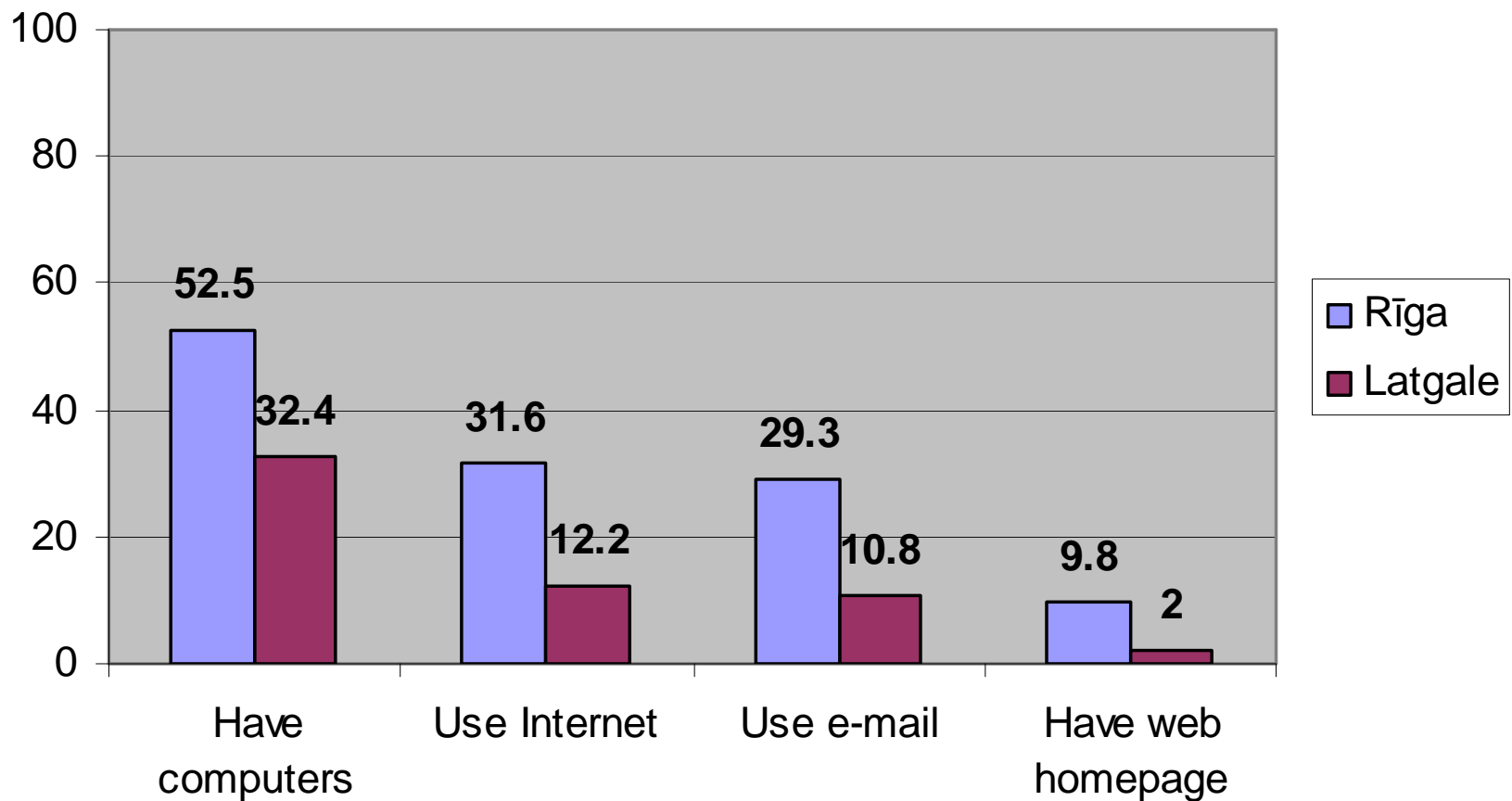
Internet usage in enterprises



Source: CSB, 2002

35% growth

Computerization level of enterprises in regions of Latvia

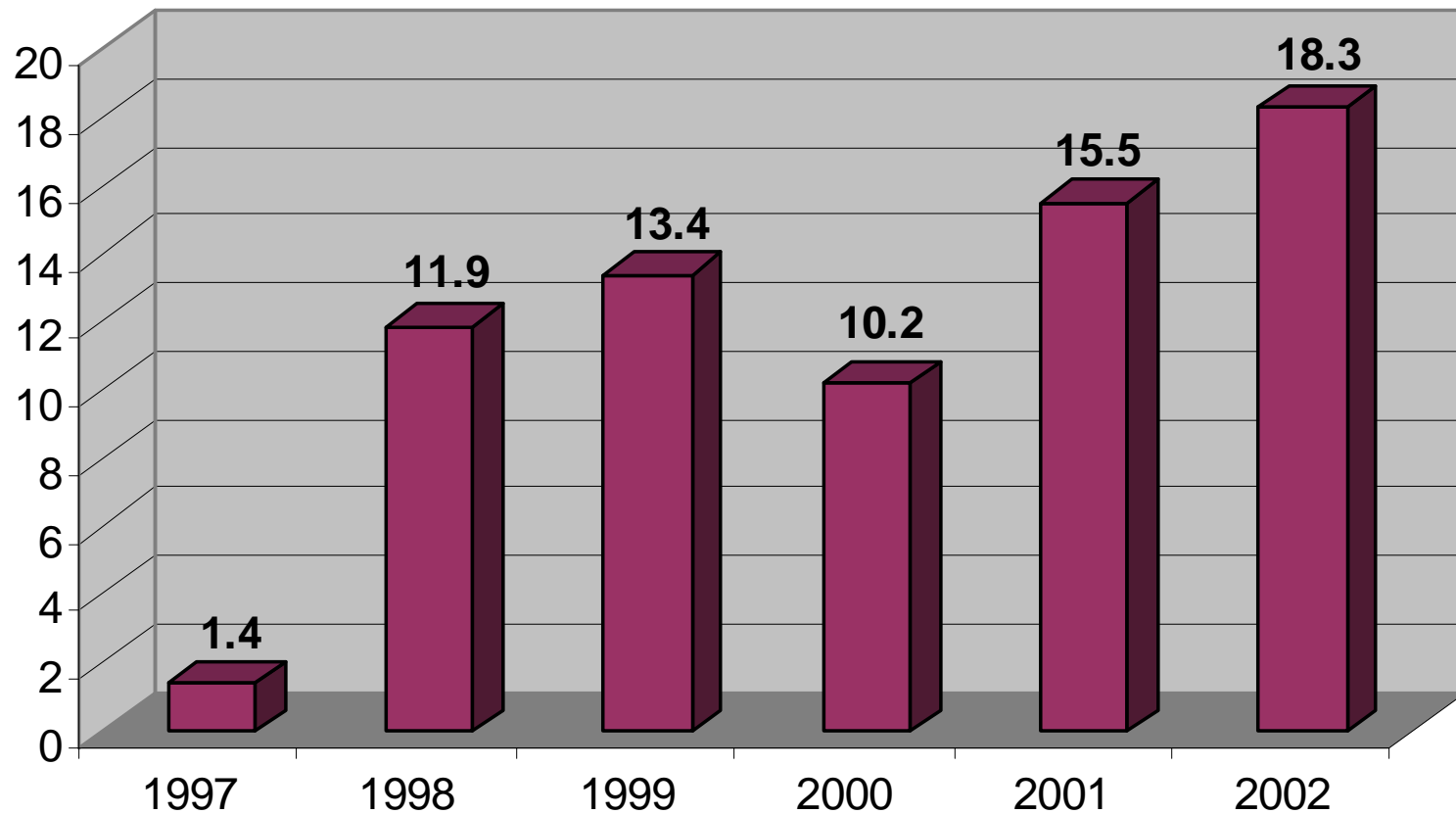


Source: CSB, 2002

Governmental support and regulations

- National Program of Information, 1999
 - Mega-System (www.mega.lv)
- e-Latvia, 2000
- Concept on e-Commerce, 2001
- Law on State Information System, 2002
- Concept on e-government, 2002
 - www.eparvalde.lv

State Public Investment Program (million LVL)



Competitive advantage of IT industry in Latvia

■ Advantages

- Skilled and cost-effective professionals
- Advanced systems and software engineering traditions
- Strategic geographic location and a Western business culture
- Good infrastructure
- Developed educational system
- Government support

■ Disadvantages

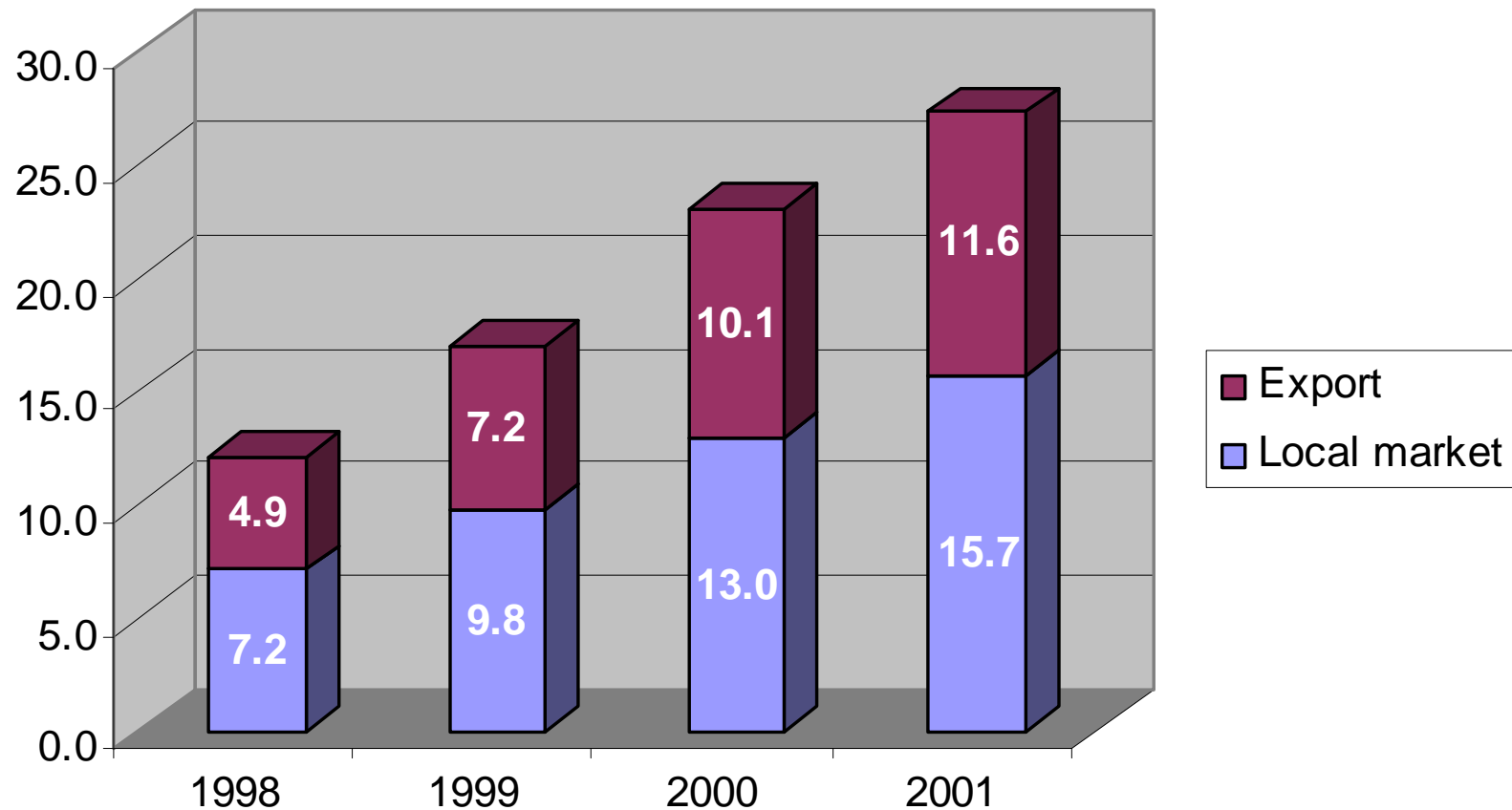
- Limited pool of local HR for large IT solutions
- Small local market

Largest IT companies

Company	Personnel	Turnover 2001 (Ls M)	Markets served
DATI	515	6.6	Telecommunications, finance and banking, transportation, public
Exigen Latvia	200	4.95	Large international corporate customers, public sector
TietoEnator Financial Solutions Latvia	100	3.84	Banking and finance
Fortech	240	4.01	Large corporate customers, public sector
IT Alise	100	2.87	Telecommunications, utilities, banking and finance, public sector
Tilde	75	5.08	Localization services, specific IT solutions, SW end-user market

Source: MicroLink Survey, 2002

Turnover of Largest IT Companies (million LVL)



Source: MicroLink Survey, 2002

Latvia's ICT Export Profile Research

WTO ITC (International Trade Center)

Summer 2002

- State of the Industry
 - Diagnosis of Business Capacities
 - Level of Business Consolidation
 - Local Market Conditions
 - FDI in IT Sector
- Policy Issues
 - Country's IT Vision
 - WTO Agreements Implications
 - Decision-Making on IT Policy
 - Public-Private Partnerships
- Integration into Global Market
 - Presence at Regional and Global IT Markets
 - Barriers to International Trade
 - Export Strategy Formulation
 - etc.

Latvia's IS Cluster

www.ebaltics.com/QuickPlace/iscluster/



- Collaborative network of companies and institutions whose aim is to increase the competitiveness of Latvia
- 18 major local software developers, data centers, educational institutions, professional training centers
- Work groups
 - Government Support
 - Marketing
 - Project Management and Quality Assurance
 - Human Resources
 - Collaboration with Universities
 - etc.

IS Cluster HR Workgroup Activities

- Establish common framework and principles of human resources policies
- Development of a common competency model
 - Basis for resource sharing policies to undertake larger IT projects
 - Promotion and planning of the professional training curricula and programmes

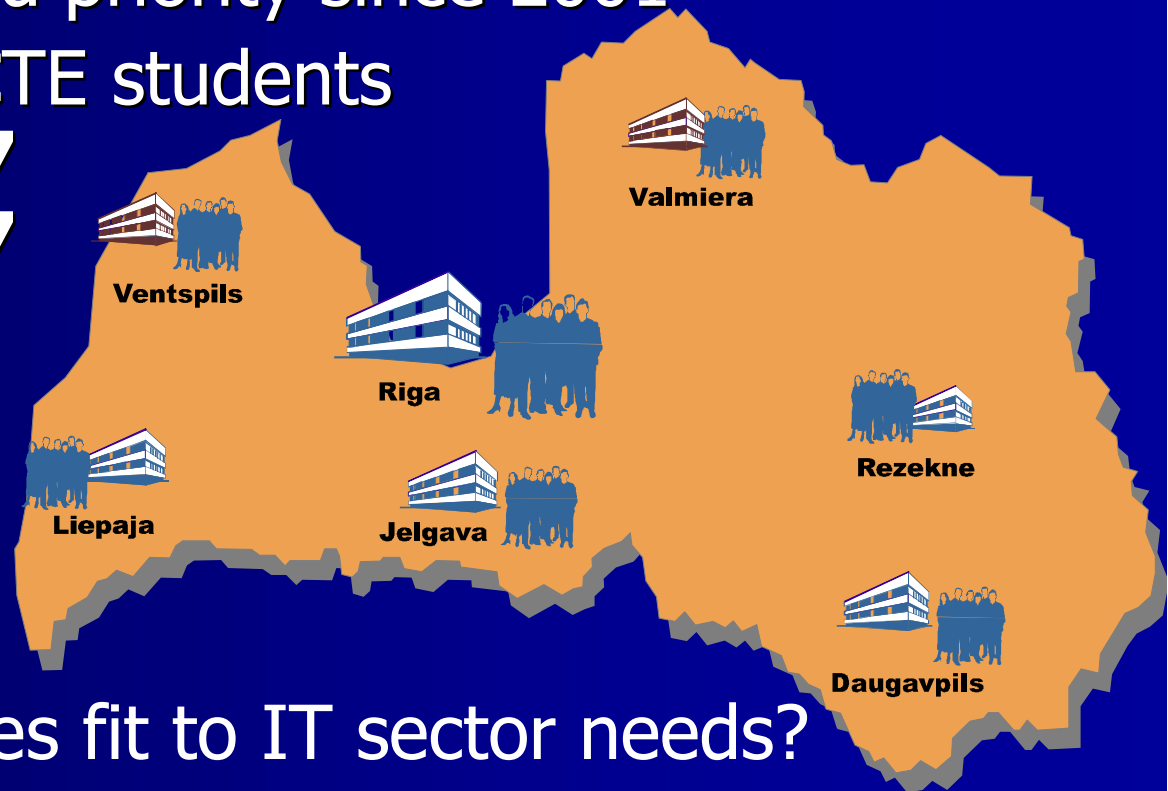
Competency Model

- List of standard roles (positions)
- List of competencies for each role
 - Core
 - Technical
 - Business development
- Detailed competency description

IT Education

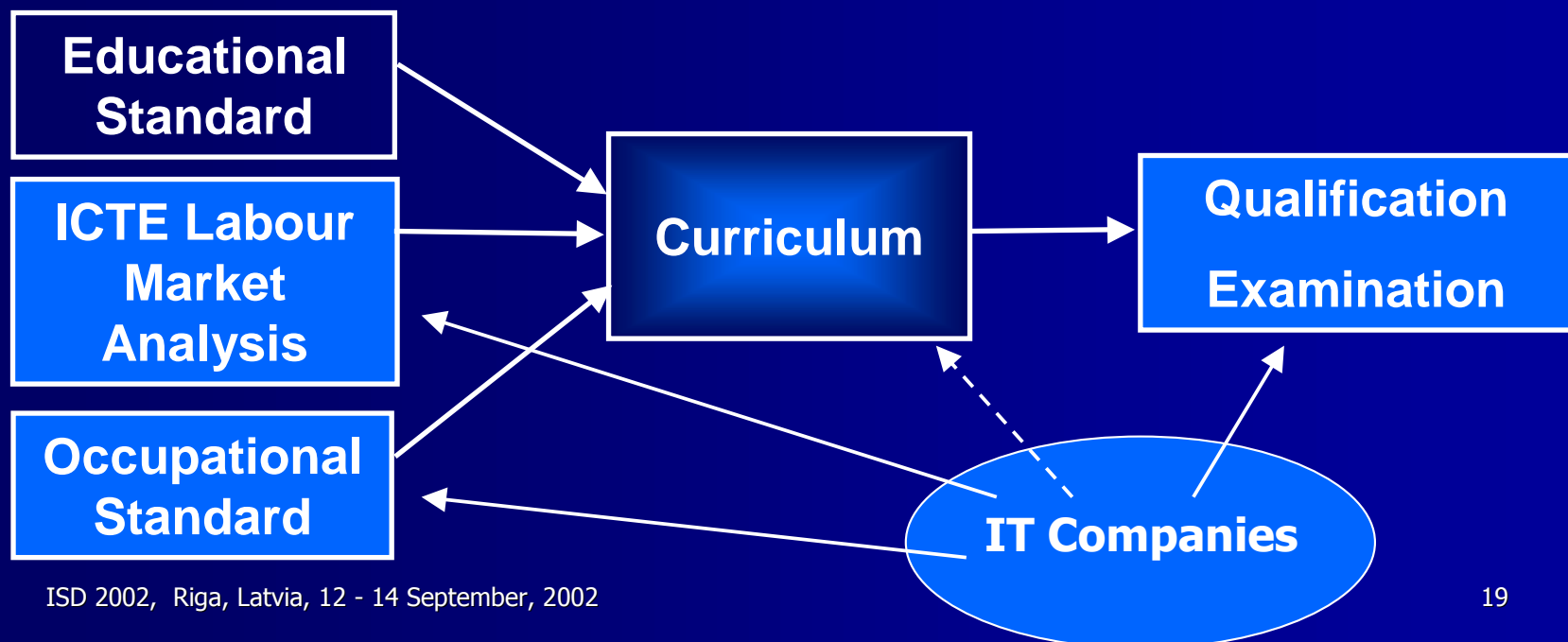
- Latvian government announced IT education as a priority since 2001
- Graduated ICTE students

2000	697
2001	757



Development of Educational Programmes

- PHARE programme Vocational Education and Training 2000
- Development of college curriculum
- VEDP Agency in co-operation with educational institutions and IT companies



ICTE Industry Sector Survey

- Professional associations involved

Latvijas Informācijas tehnoloģiju
LITTA
un telekomunikāciju asociācija

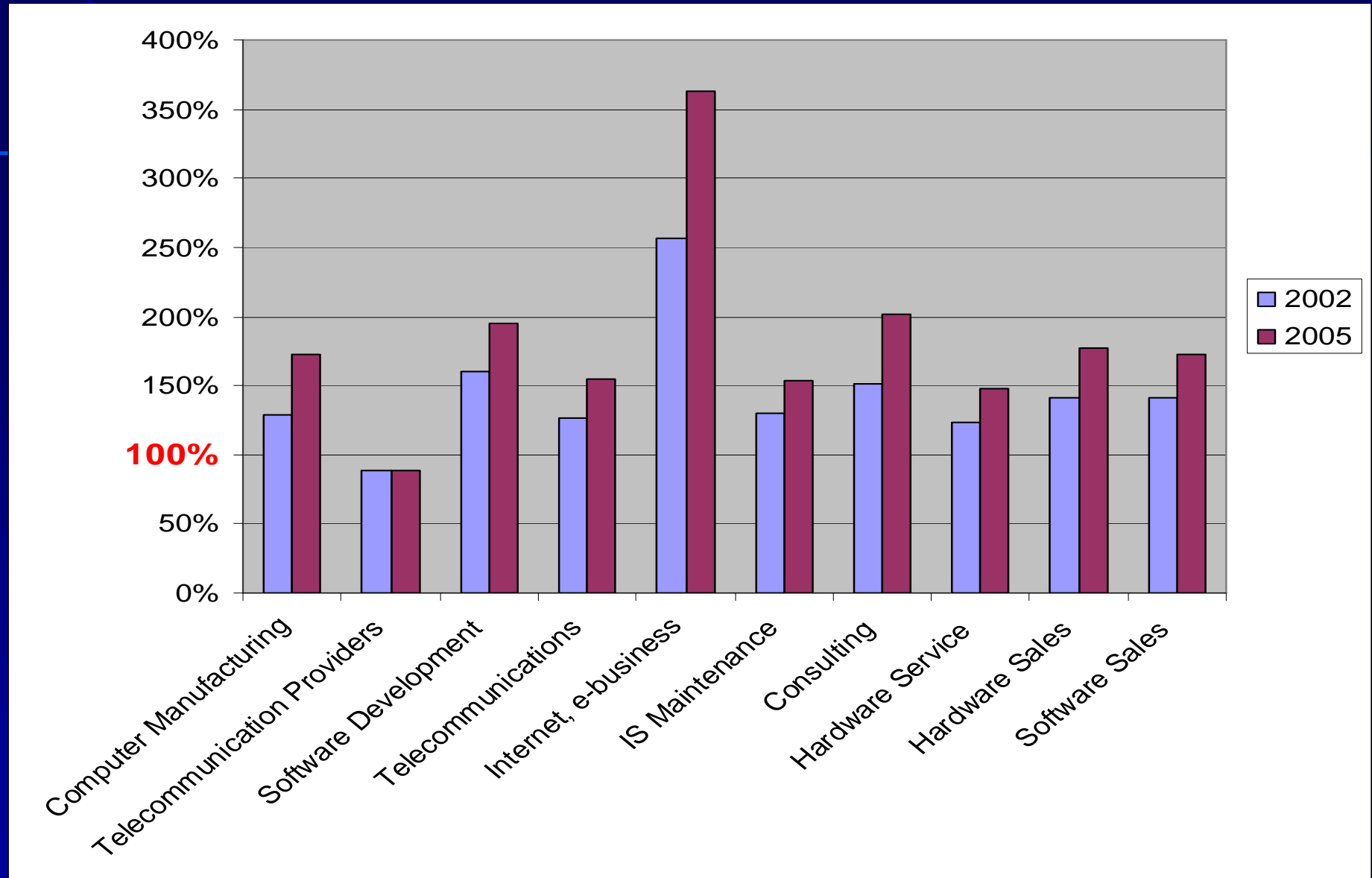
LDTA
LATVIJAS DATORTEHNOLOĢIJU ASOCIĀCIJA

LEtERA

LTA
TAL

- Content of Survey
 - ICTE sector structure
 - Occupations/functions
 - Qualification levels
 - Labour market survey and estimations

Estimated Growth of Employment



Occupational Standards

- Team of professionals from leading IT companies and other institutions
- Standards developed (www.izmpic.lv)
 - **Programmer (PS 0001)**
 - **System and network administrator (PS 0055)**
 - **System analyst (PS 0067)**
- Content of standards
 - Job functions and tasks
 - Skills
 - Knowledge

ICTE Vocational Education Board

- Established by ICTE professional associations



- Review and approval of occupational standards
- Assessment of vocational education programs
- Select experts for professional qualification commissions

