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Latvia orders Rheinmetall ammunition factory – Group expands global ammunition production network

Rheinmetall is further expanding its ammunition production capacity and is now planning to build a modern production facility for 155 mm calibre artillery ammunition in Latvia. In the presence of Latvian Prime Minister Evika Siliņa, a corresponding Memorandum of Understanding was signed today in Hamburg. The facility shall be operated by a joint venture between Rheinmetall Waffe Munition GmbH (51%) and the Latvian State Defence Corporation, LLC of Latvia (49%). The key points were documented in a memorandum of understanding, which was signed by representatives of both sides.

By establishing its own 155 mm ammunition production facility, Latvia is taking a further step towards strengthening its defence capabilities and expanding its independent defence sector. The produced ammunition is to ensure supplies for the National Armed Forces of Latvia, as well as strengthen security of supply chains and be available to partner countries.

The production line will feature a state-of-the-art production facility, including a shell forging and filling line. Construction is scheduled to begin in spring of 2026, with production expected to start around a year later. The €275 million investment will enable the facility to produce tens of thousands of artillery shells and create at least 150 local jobs. Regional companies and the domestic economy will be integrated into the facility's value chain.

Latvian Prime Minister Evika Siliņa said: "Signing this MoU is a clear step towards strengthening Latvia's security and developing our defence industry. By aiming to establish partnership with Rheinmetall Latvia not only builds stronger national defence, but also contributes to security of supply in Europe, enhancing industrial capacity as well as facilitating economic growth. I have been directly involved in this process because I believe that investing in our defence industry is investing in the safety and future of our people."

Armin Papperger, CEO of Rheinmetall AG: "We are delighted to be able to contribute to Latvia's national sovereignty in the field of ammunition. At the same time, the production line will strengthen our position as the world's leading manufacturer of artillery ammunition. At Rheinmetall, we are committed to supporting our customers as a reliable partner with first-class services. I am confident that we will also build similar partnerships for ammunition production in other countries".

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► Key facts

- ▷ Latvia commissions Rheinmetall to manufacture artillery ammunition
- ▷ Investment of €275 million
- ▷ Production capacity of several tens of thousands of artillery shells per year
- ▷ Rheinmetall's global ammunition production network expands

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Ingrida Kirse, Board Member of the State Defence Corporation: “With the utmost sense of responsibility, we are taking on the entrusted task of jointly establishing an artillery ammunition production facility in Latvia. I am confident that all the necessary conditions are in place, as this project brings together several essential components. On the one hand, the mission of the State Defence Corporation is to ensure the needs of the National Armed Forces and to foster the development of Latvia’s defence industry by developing manufacturing capacity. On the other hand, Rheinmetall contributes its longstanding expertise, accumulated know-how, high standards, and international recognition. This synergy forms the foundation of a strong partnership that will both advance the industry and strengthen the security of Latvia and the wider region.”

It was only at the end of 2024 that Rheinmetall was commissioned by Latvia’s neighboring Lithuania to build a modern ammunition production facility for artillery shells. Construction of the plant, which is set to begin in a few weeks at the Baisogala site in the heart of Lithuania, mirrors the size and design to the facility planned for Latvia.