

MACROECONOMIC AND BUDGETARY REVIEW 2022

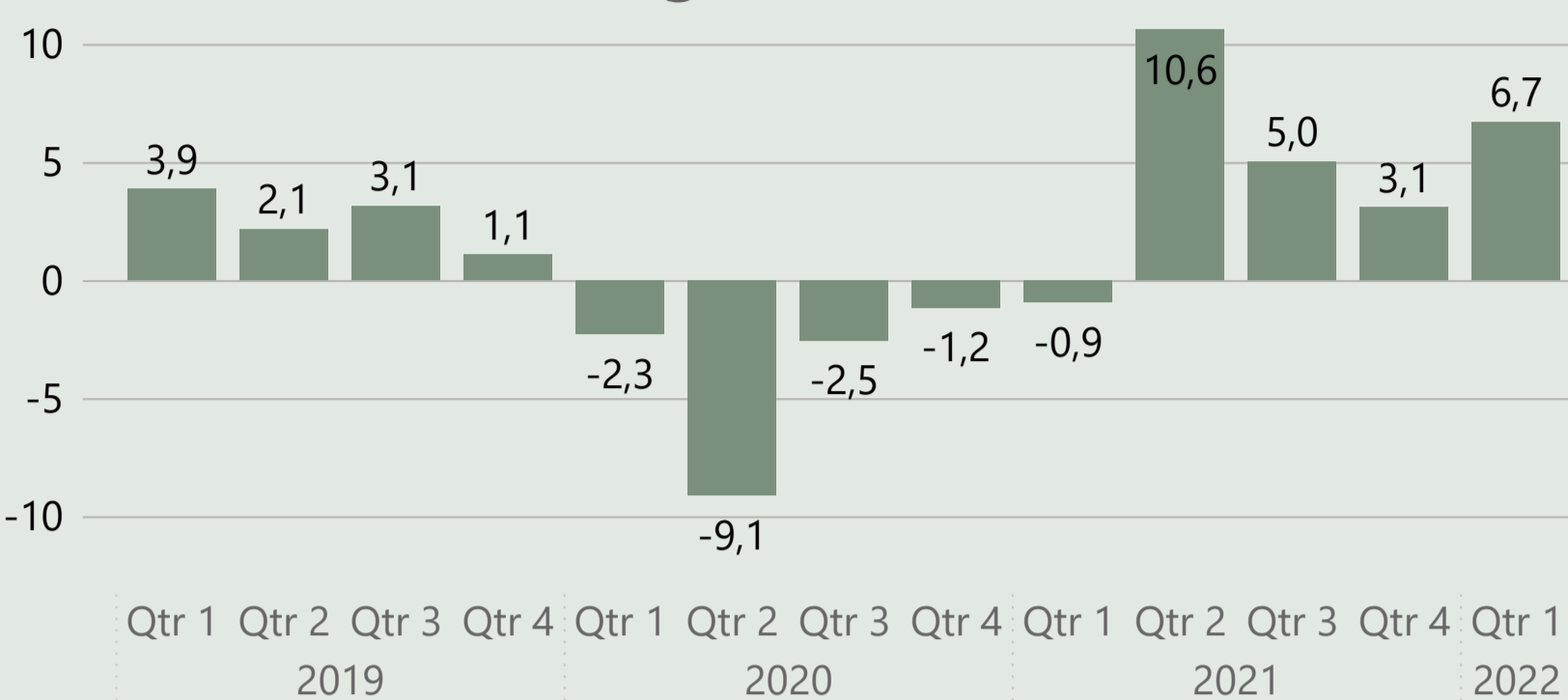
No 4

GROSS DOMESTIC PRODUCT (GDP)

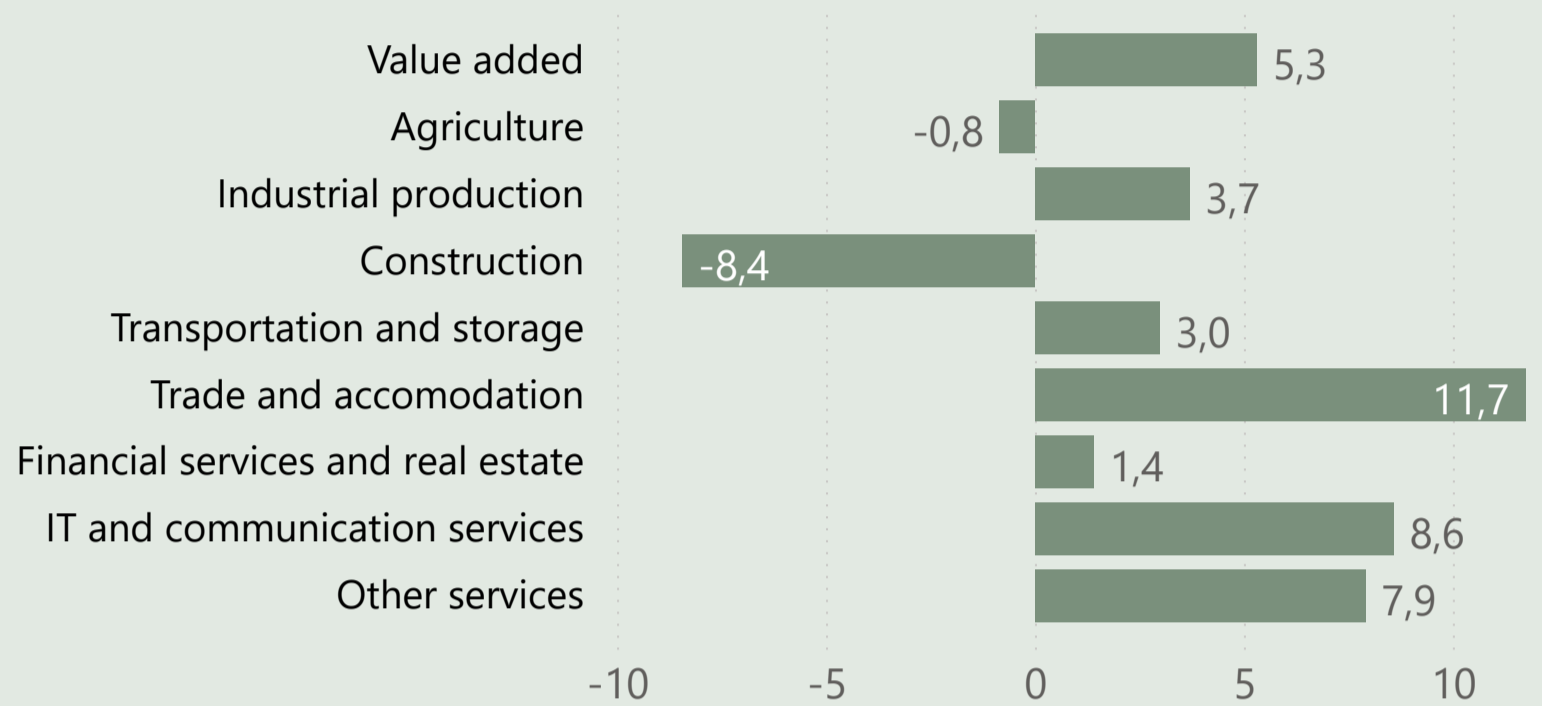
GDP 2021
32 867 milj. €
CSB, 22.04.2022.

GDP growth 2022
2,1%
MoF forecast, SP 2022-2025

GDP growth, YoY%



GDP growth by sectoral breakdown (2022 1st Qtr/2021 1st Qtr),



Source: Central Statistical Bureau (CSB)

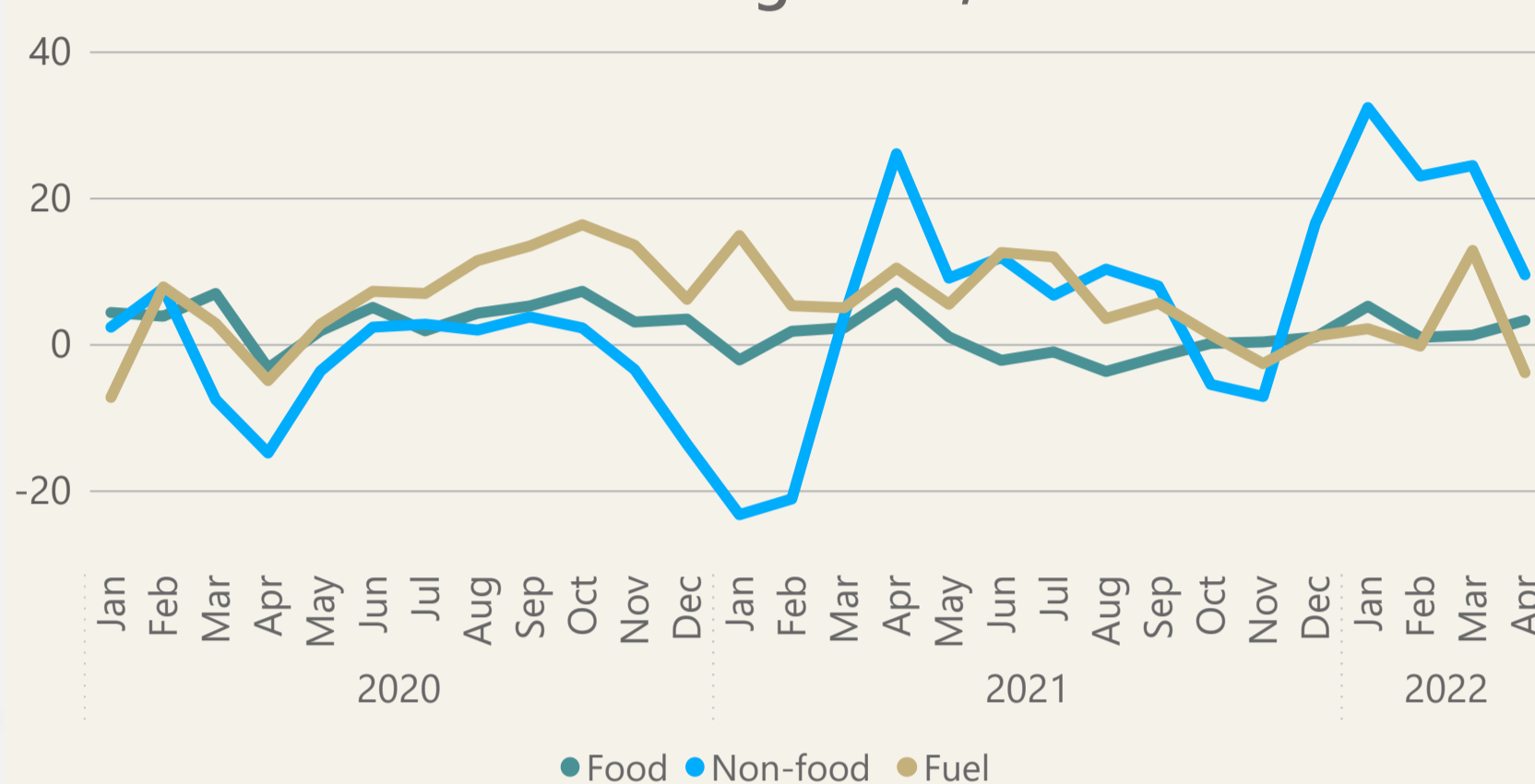
MAIN MACROECONOMIC INDICATORS

Indicator	2016	2017	2018	2019	2020	2021	2022*	2023*	2024*	2025*
Nominal GDP growth, %	3,3	6,4	8	5,1	-3,9	11,6	10,9	6,8	6,1	5,8
Real GDP growth, %	2,4	3,3	4	2,5	-3,8	4,5	2,1	2,5	3,3	3,4
GDP deflator, % change	0,9	2,9	3,9	2,6	-0,1	6,8	8,7	4,2	2,7	2,3
Consumer price index, % change	0,2	2,9	2,6	2,8	0,2	3,3	8,5	3,5	2,5	2
Average monthly gross wage, EUR	859	926	1004	1076	1143	1277	1354	1431	1507	1582
nominal growth, %	5	7,8	8,4	7,2	6,2	11,7	6	5,7	5,3	5
real growth, %	4,8	4,7	5,7	4,2	6	8,2	-2,3	2,1	2,7	2,9
Number of persons employed, thsd	893	895	909	910	893	864	875	879	879	879
growth, %	-0,3	0,2	1,6	0,1	-1,9	-3,2	1,3	0,4	0	0
Unemployment rate, %	9,6	8,7	7,4	6,3	8,1	7,6	7,6	6,7	6,2	5,9

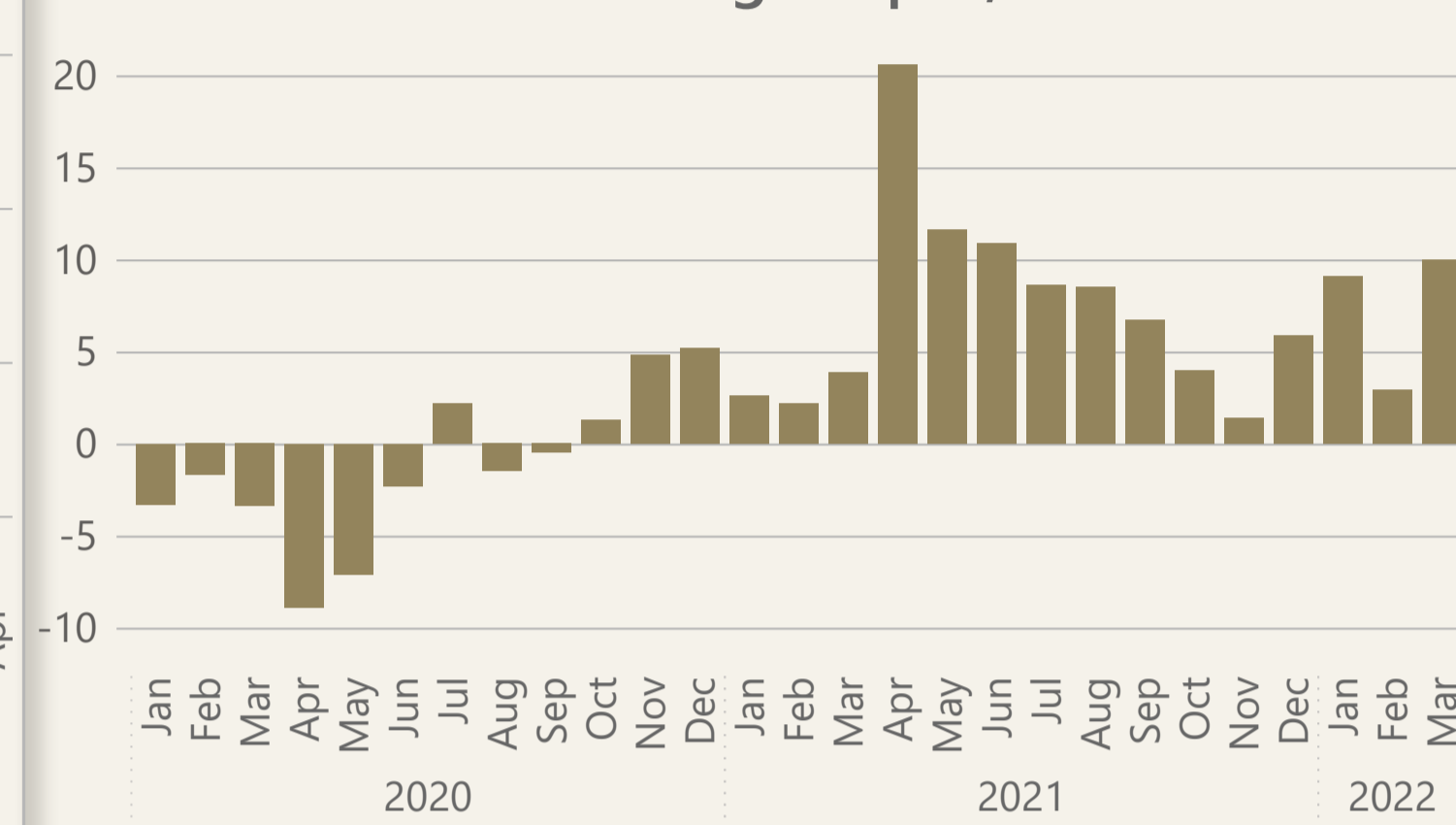
Source: CSB (24.04.2022), *forecasts of the Ministry of Finance of the Republic of Latvia (March 2022)

INDUSTRIES

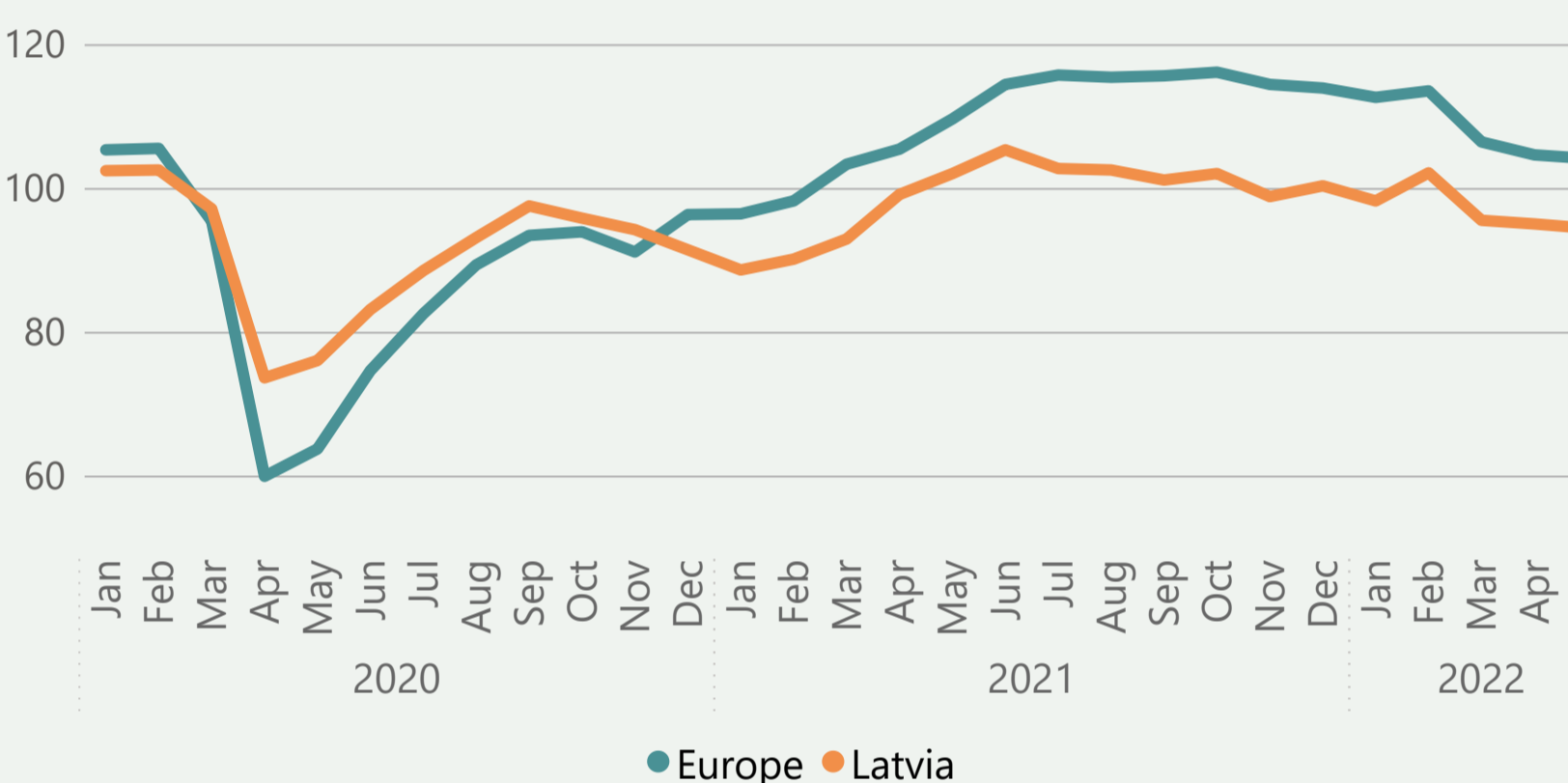
Retail trade growth, YoY%



Manufacturing output, YoY%

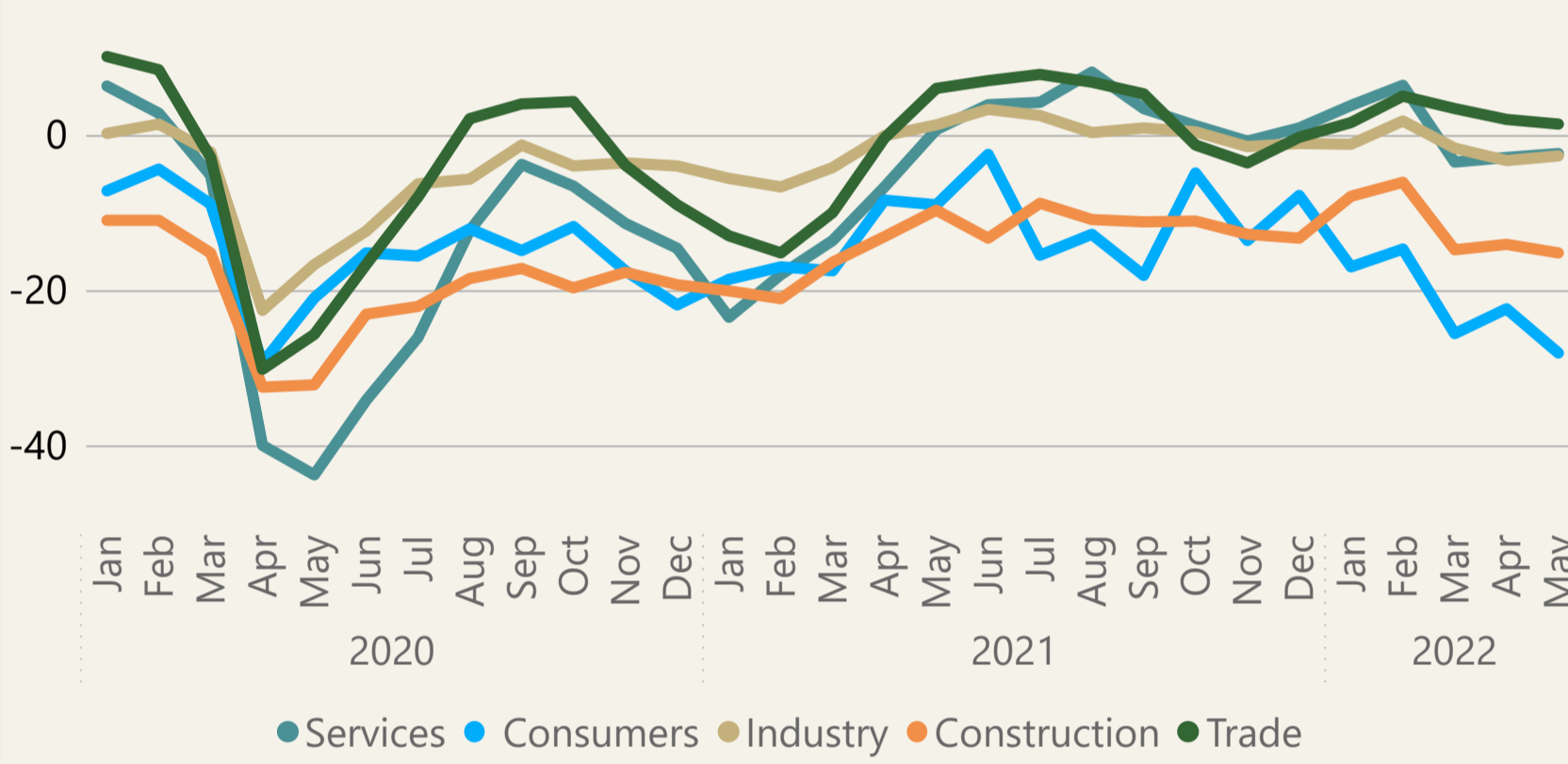


Economic confidence



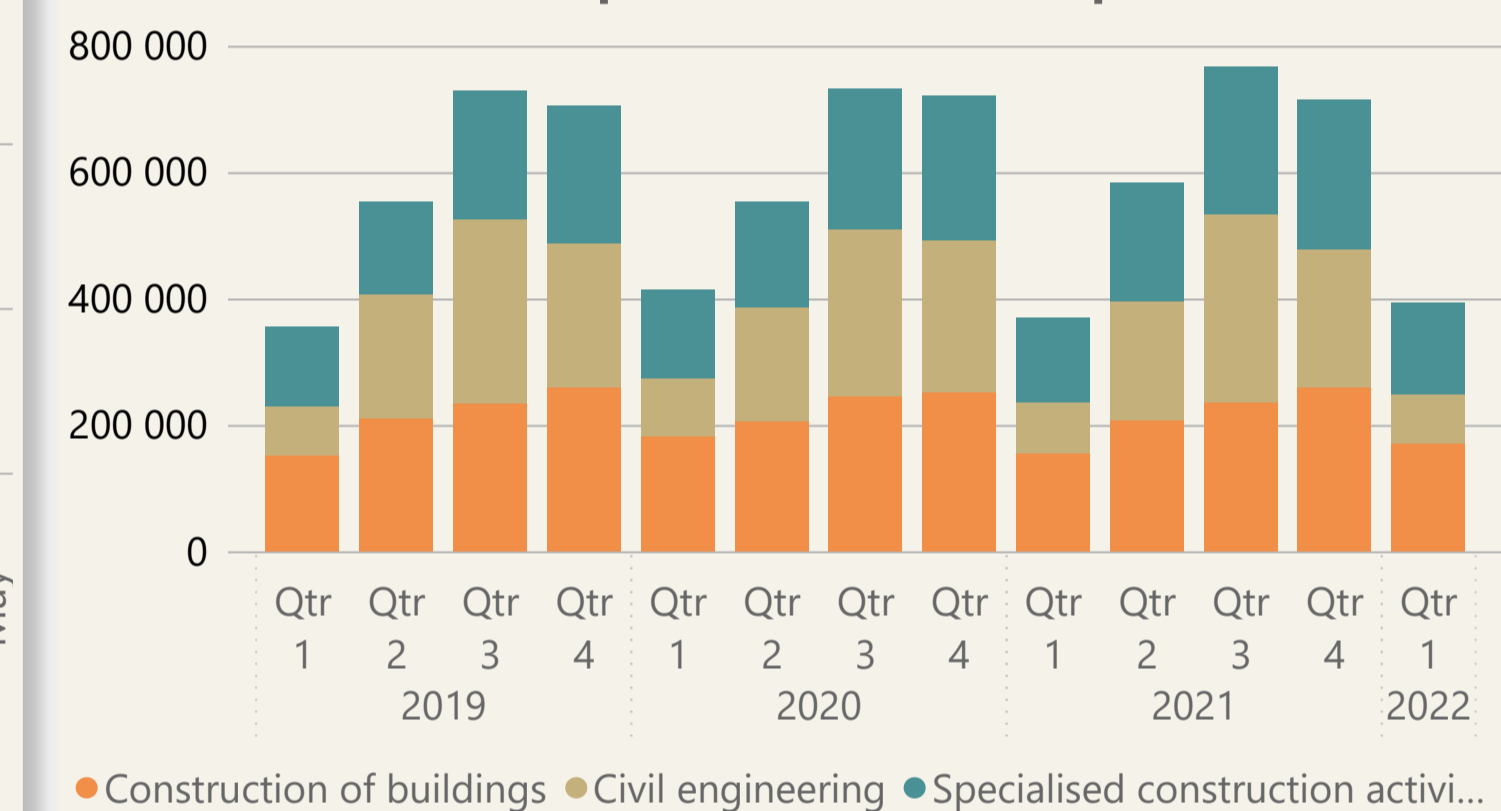
Source: European Commission

ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



INFLATION

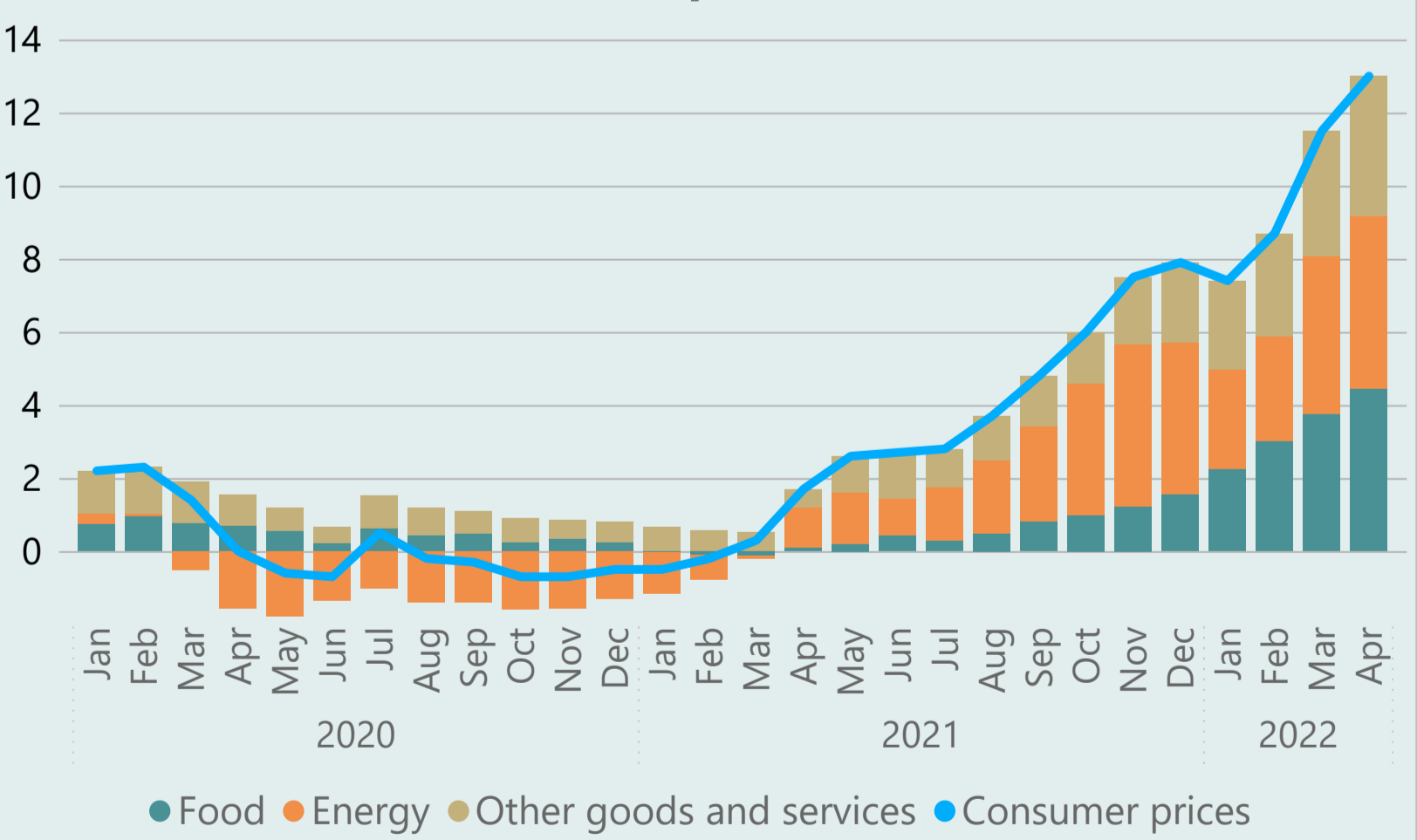
Inflation

13%
April 2022

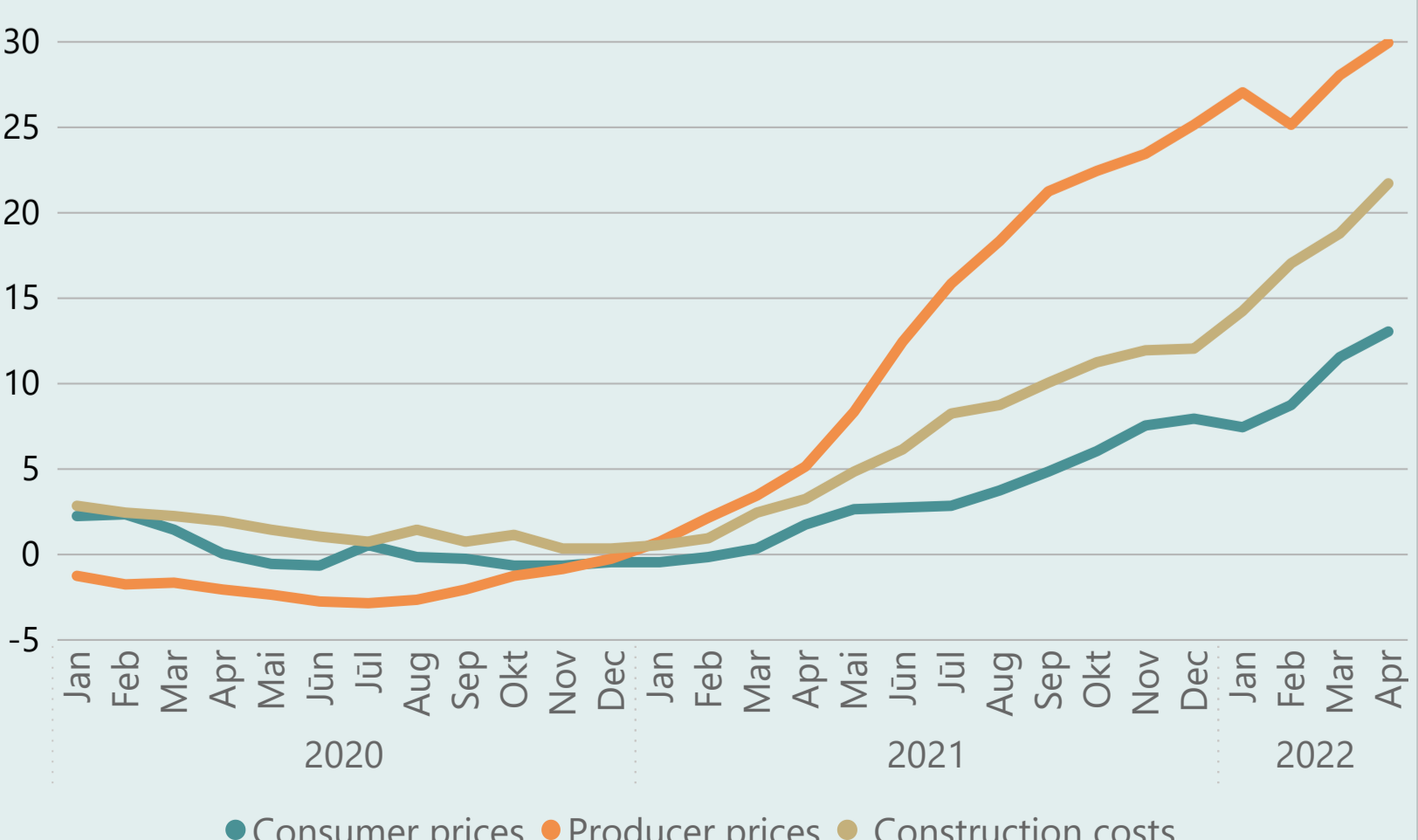
Producer price rise

29.9%
April 2022

Consumer prices, YoY%



Prices, YoY%



Source: CSB

EMPLOYMENT

Unemployment (registered)

6,5%
April 2022

Unemployment (Labour force survey)

6.8%
April 2022

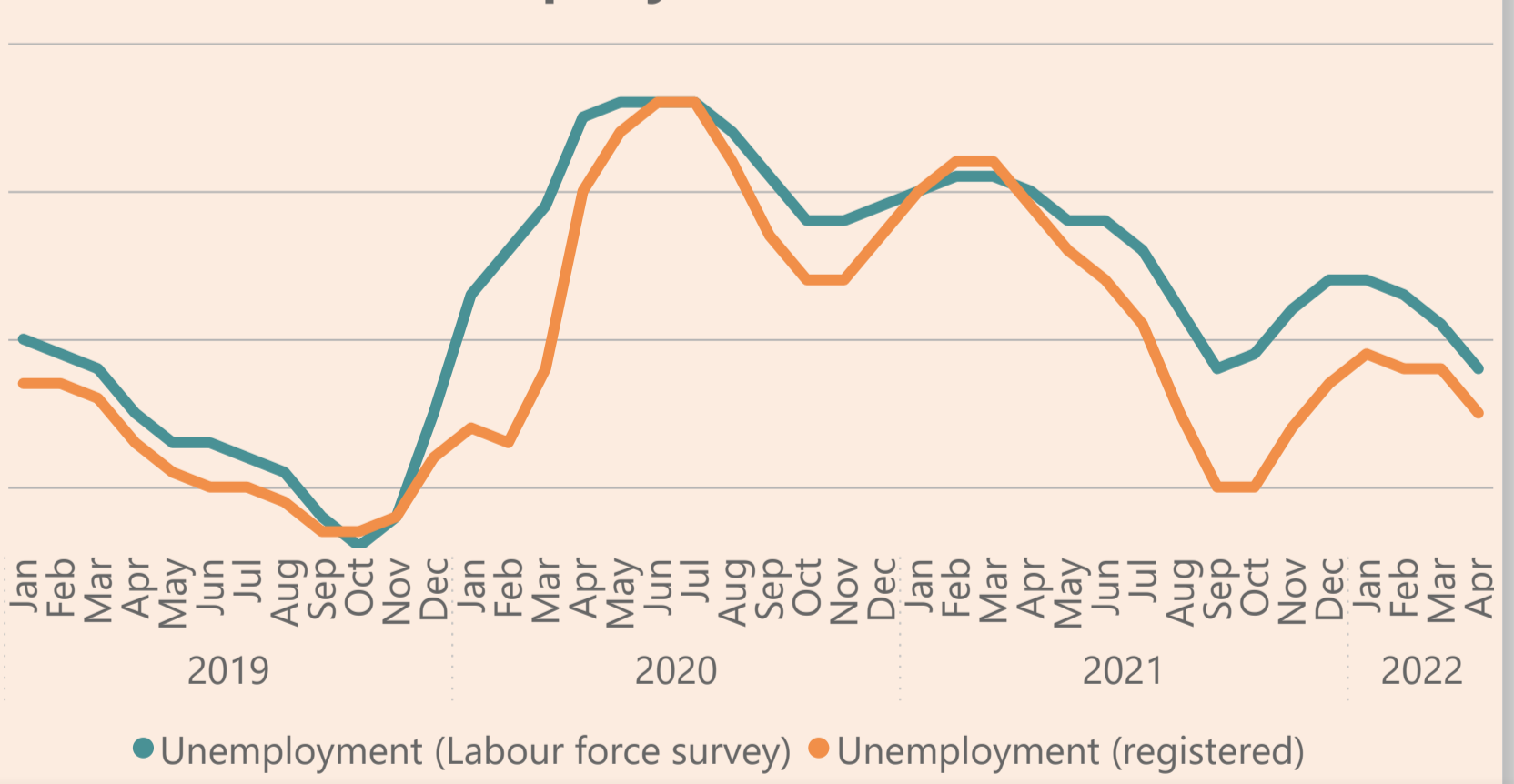
Wage (private sector)

1 306 €
1Q 2022

Wage (public sector)

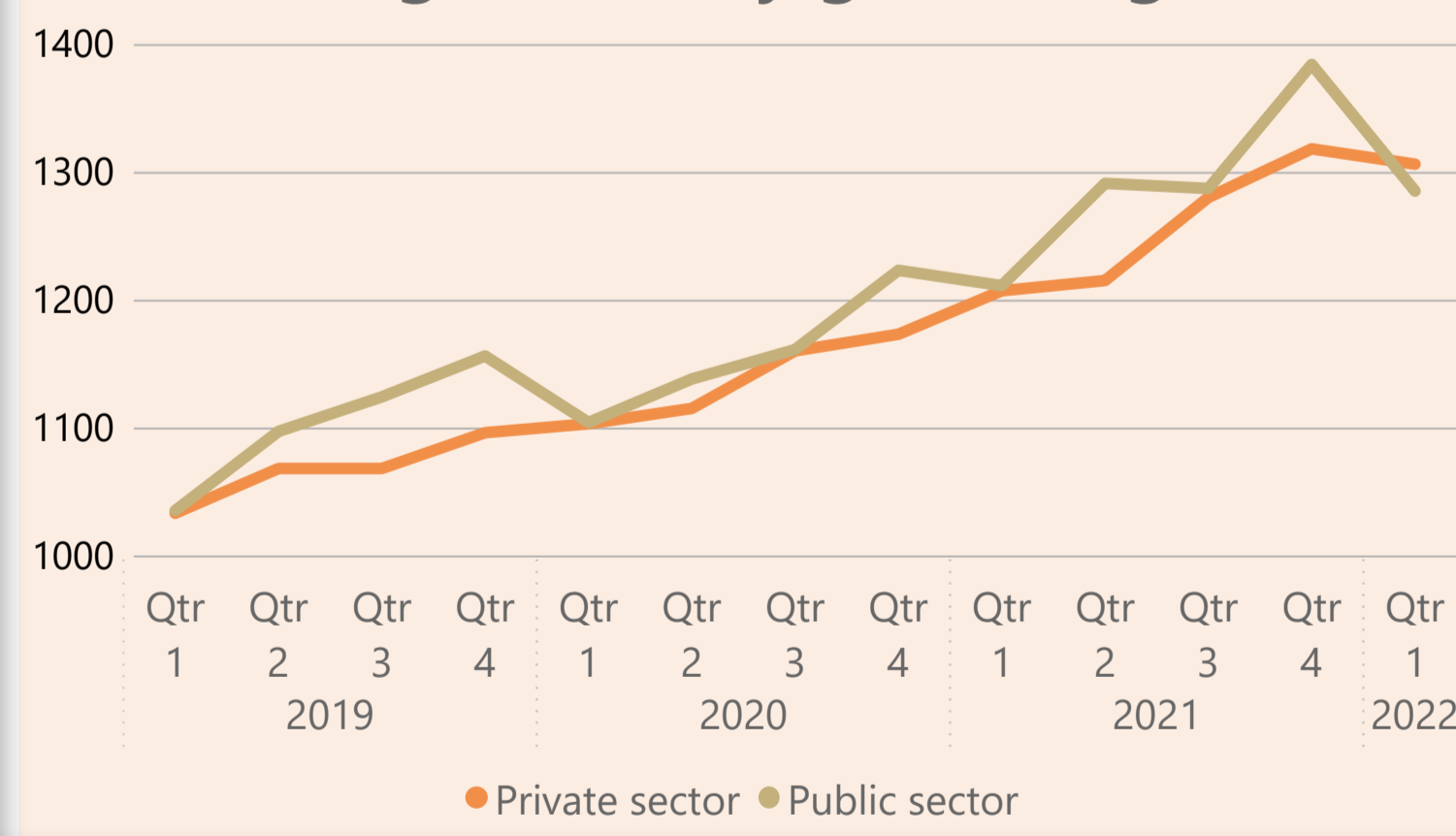
1 285 €
1Q 2022

Unemployment rate, %



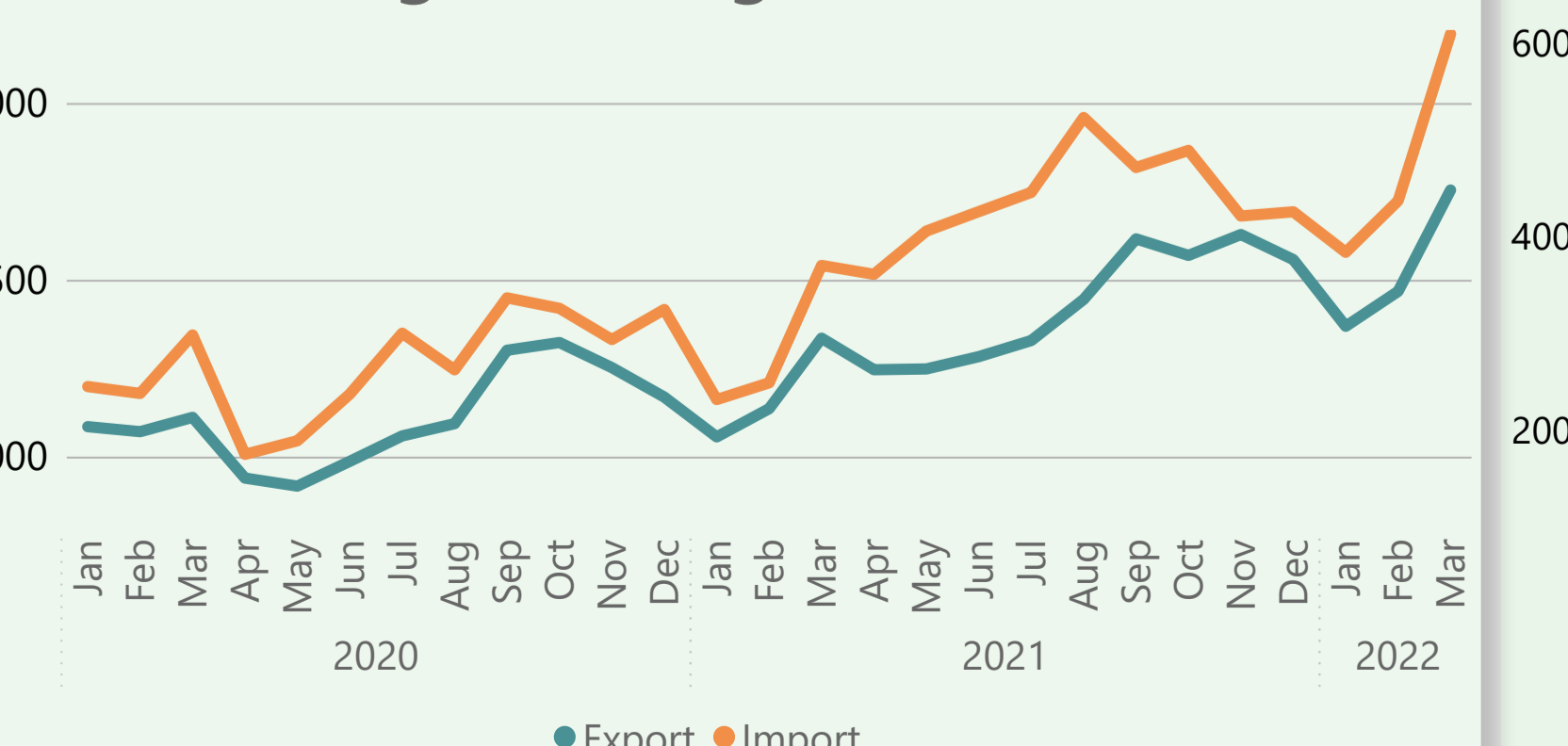
Source: CSB, State Employment Agency

Average monthly gross wage, €



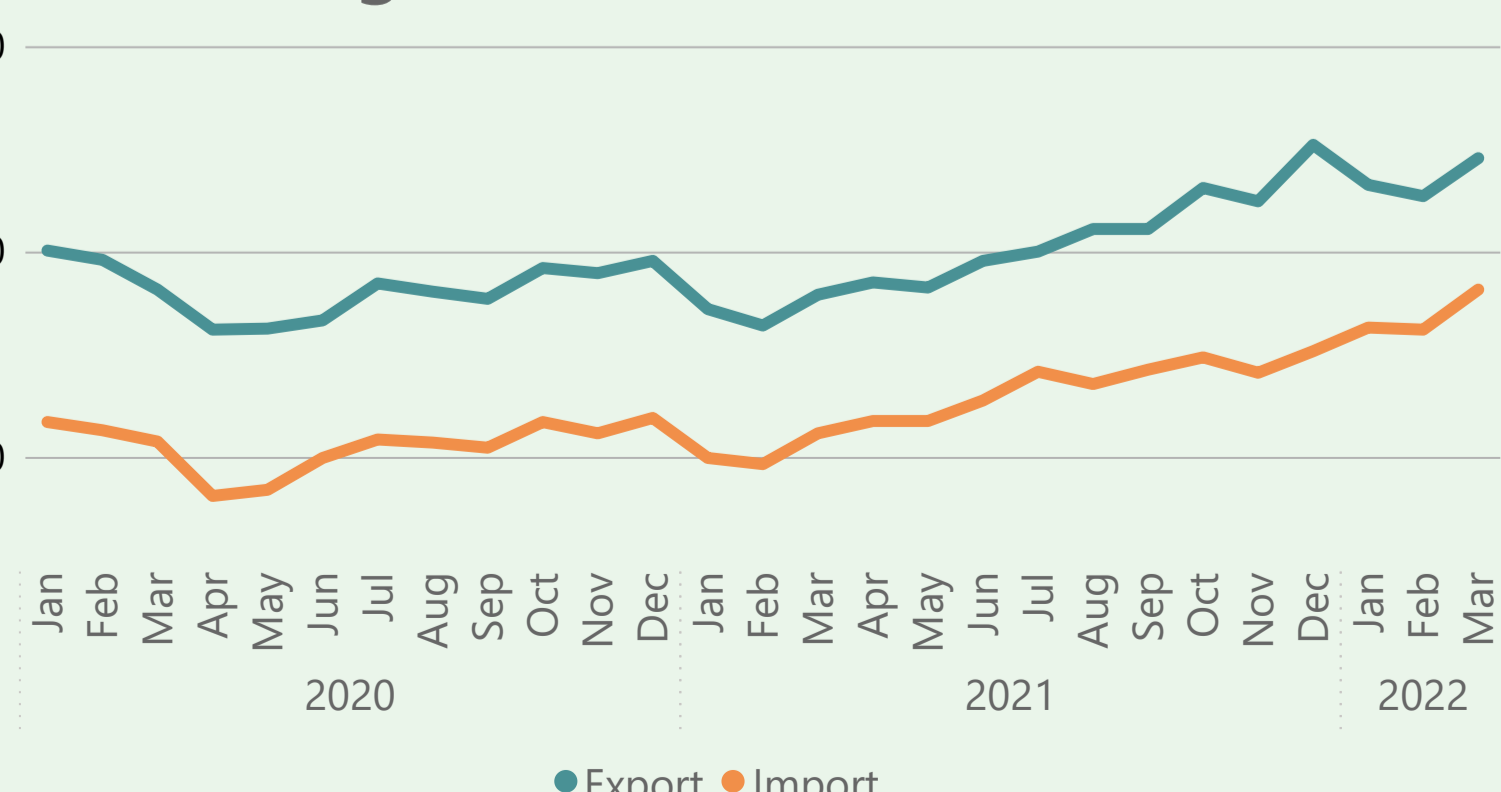
FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB

Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2022

-6,5% of GDP

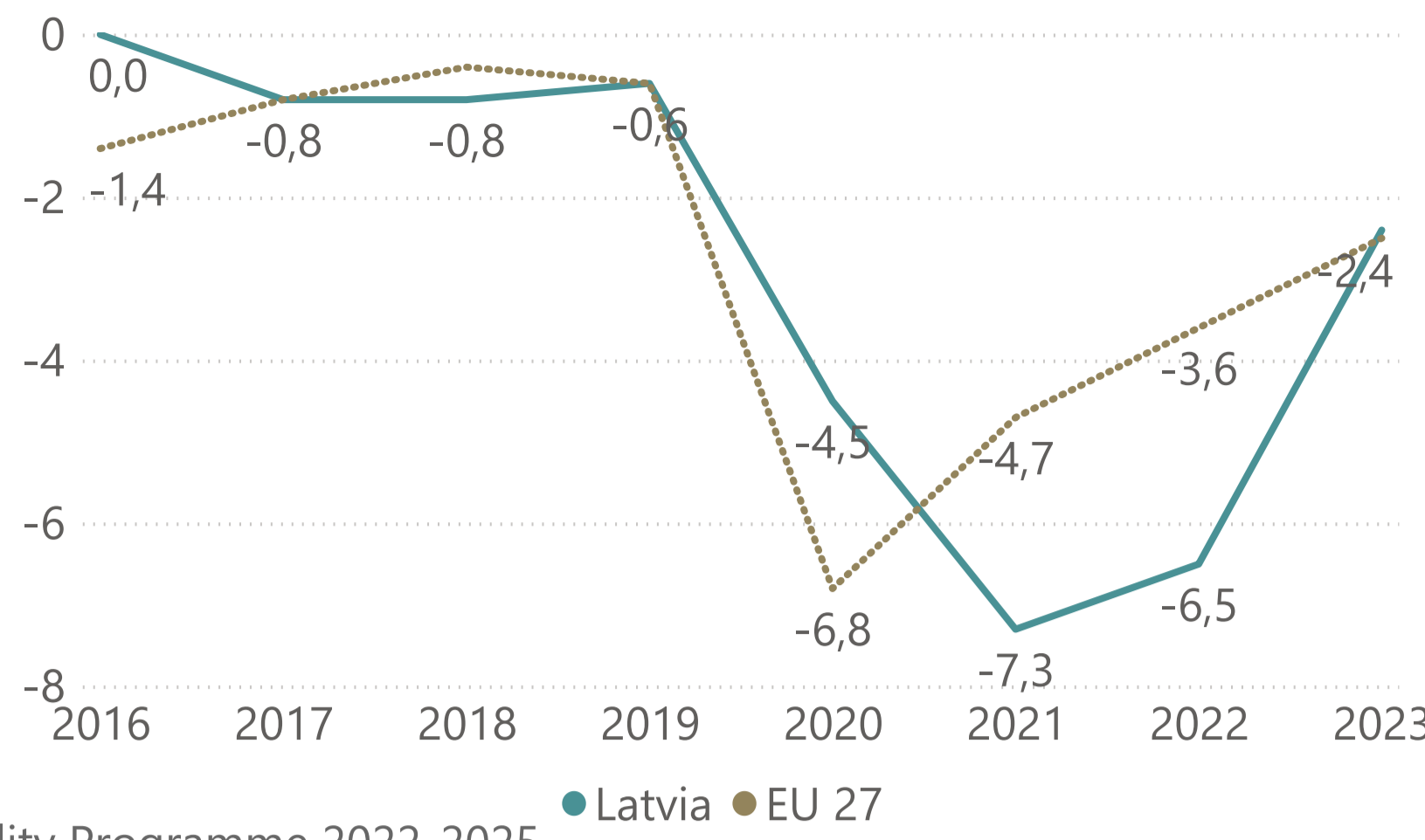
Forecast of MoF, SP 2022-2025

General government debt 2022

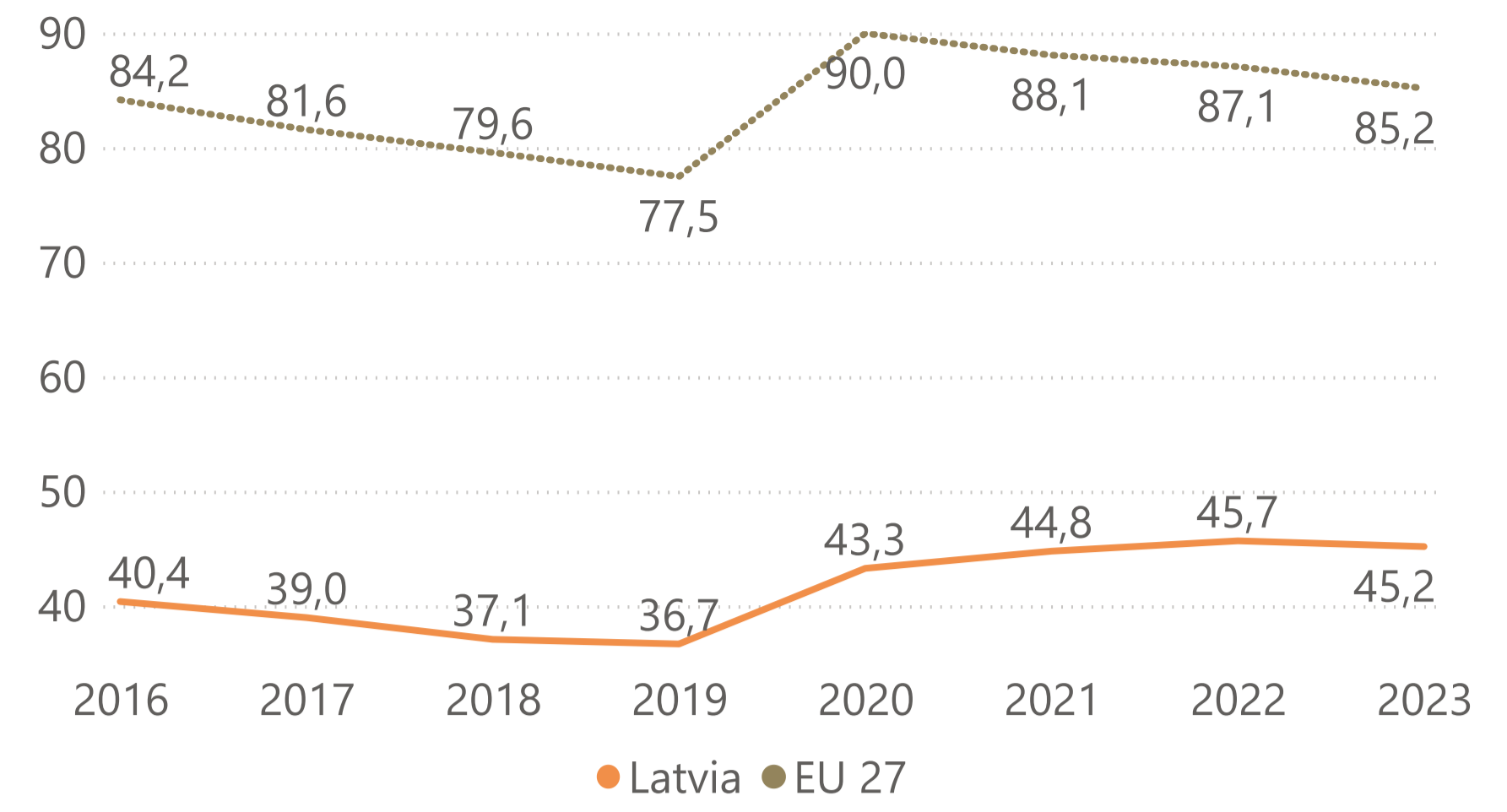
45,7% of GDP

Forecast of State Treasury, SP 2022-2025

General government budget balance, % of GDP



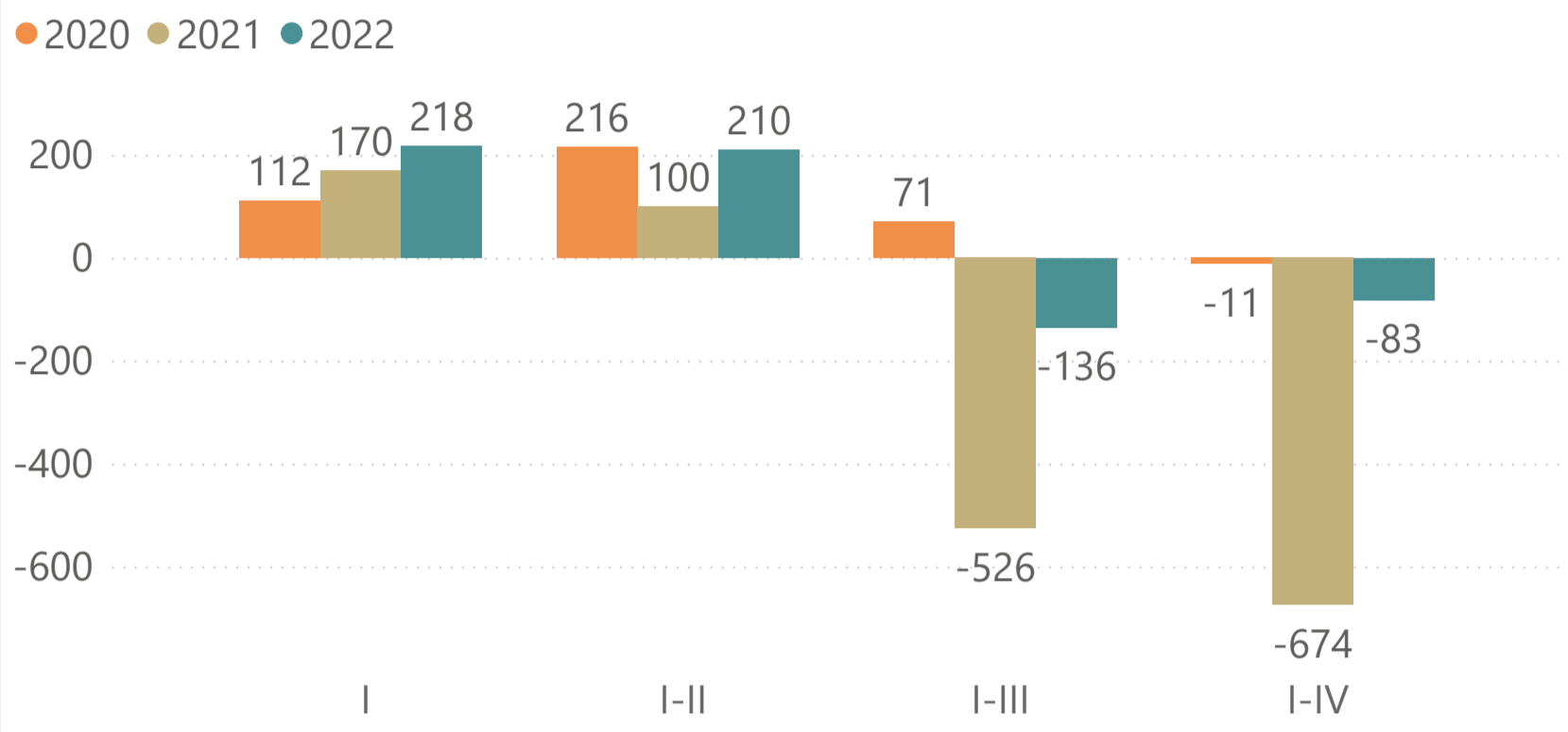
General government debt, % of GDP



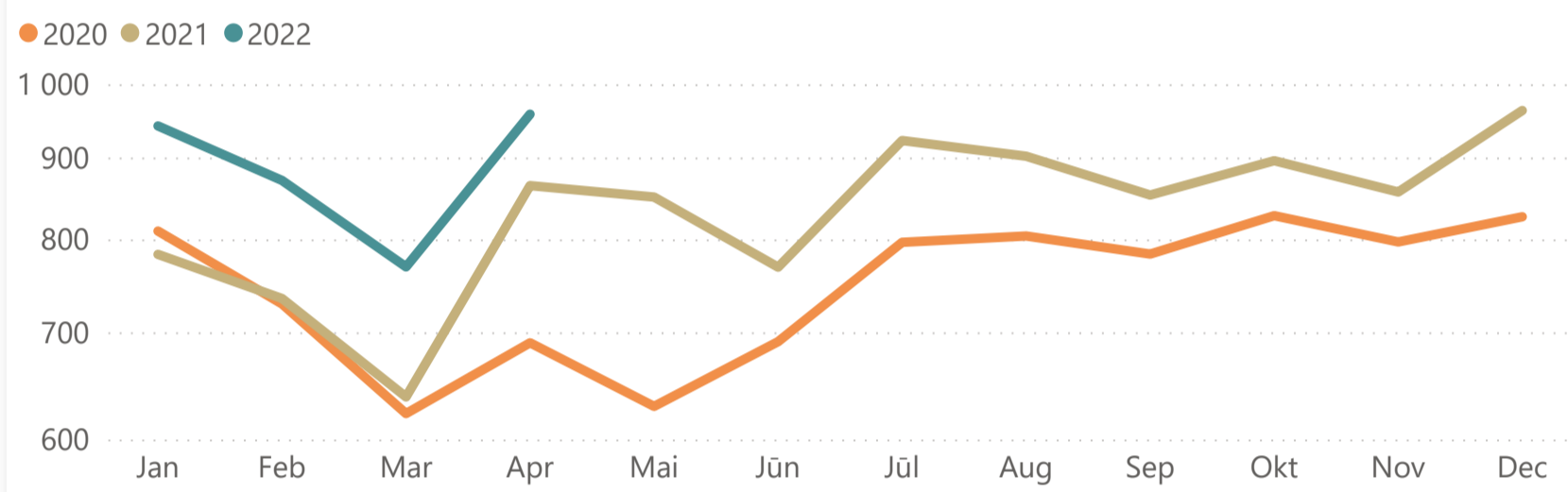
Source: Eurostat, AMECO Spring Forecast 2022, Latvia's Stability Programme 2022-2025

GENERAL GOVERNMENT BUDGET IN JANUARY-APRIL 2022 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: Treasury. General government budget tax revenue in January-April 2022 including revenue in the single tax account -56,6 mln euro.

General government budget

	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 533,2	602,2	15,3%
Expenditure	4 615,8	10,7	0,2%
Balance	-82,5	591,5	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	1 178,6	319,5	37,2%
VAT	1 077,2	241,1	28,8%
PIT	645,1	166,9	34,9%
EXT	358,2	21,9	6,5%
CIT	118,8	26,3	28,5%

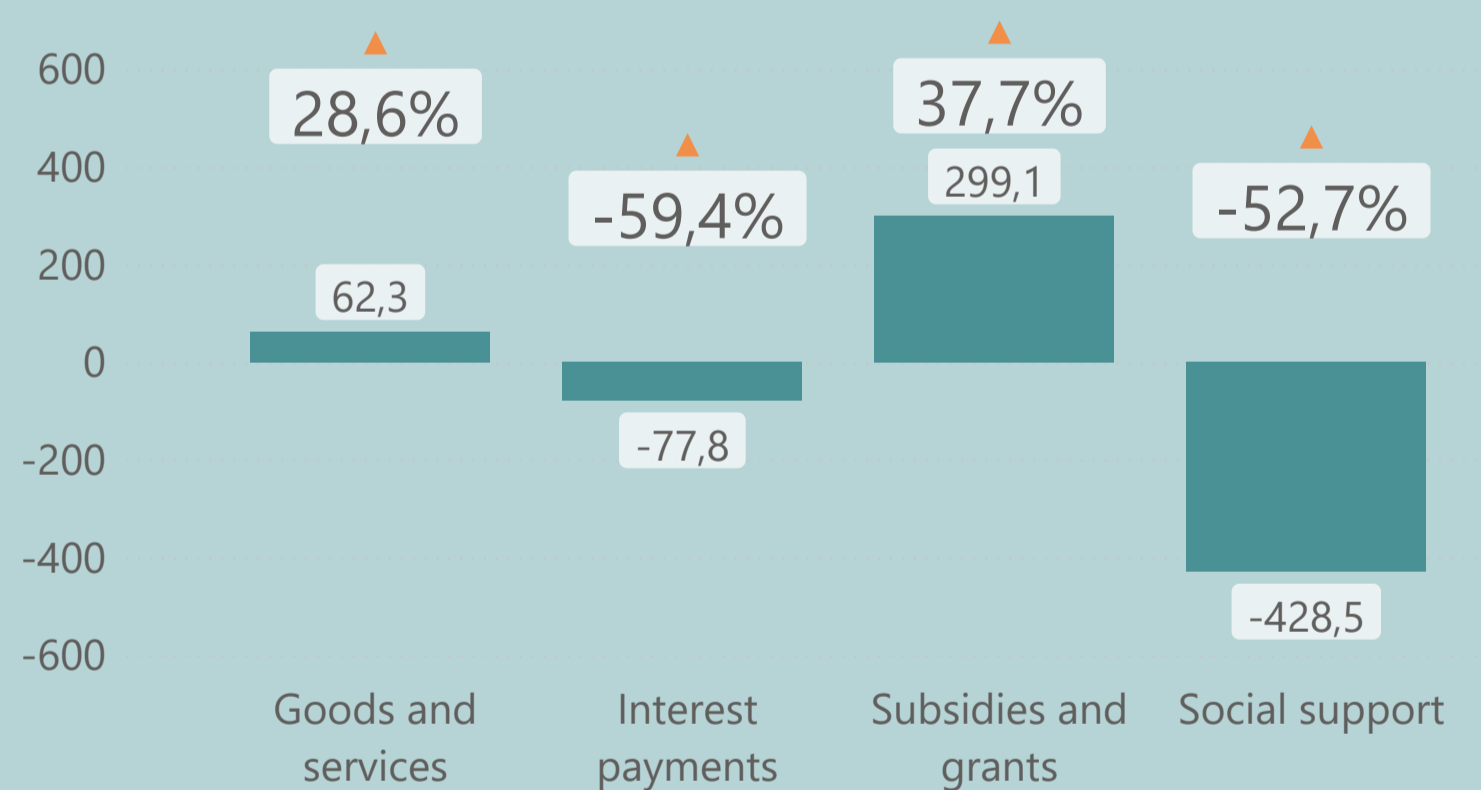
Revenue and expenditure

	General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue				
Tax revenue		3 539,5	519,4	17,2%
Non tax revenue		236,0	76,9	48,3%
Foreign financial assistance		600,7	-21,2	-3,4%
Expenditure				
Remuneration		864,2	7,0	0,8%
Goods and services		535,7	111,4	26,2%
Interest payments		64,6	-78,6	-54,9%
Subsidies and grants		1 174,2	307,1	35,4%
Social support		1 610,3	-322,8	-16,7%
Capital expenditure		206,9	-10,0	-4,6%

STATE BASIC BUDGET

	State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue		2 629,1	155,2	6,3%
Expenditure		3 035,5	-96,8	-3,1%
Balance		-406,4	252,0	

Major changes in mln € and % against respective period year before

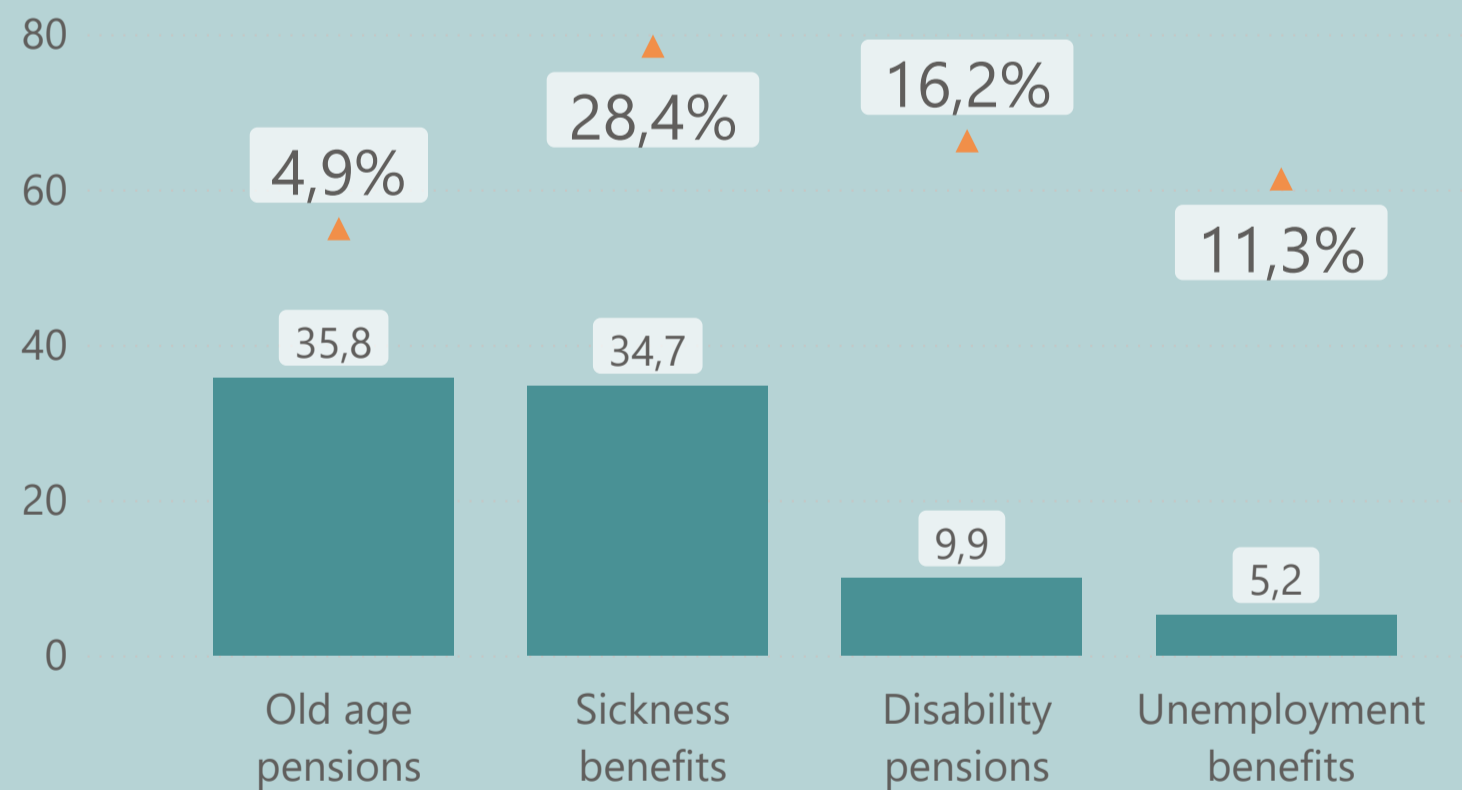


YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

STATE SPECIAL BUDGET

	State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue		1 258,5	326,4	35,0%
Expenditure		1 170,8	91,2	8,4%
Balance		87,7	235,2	

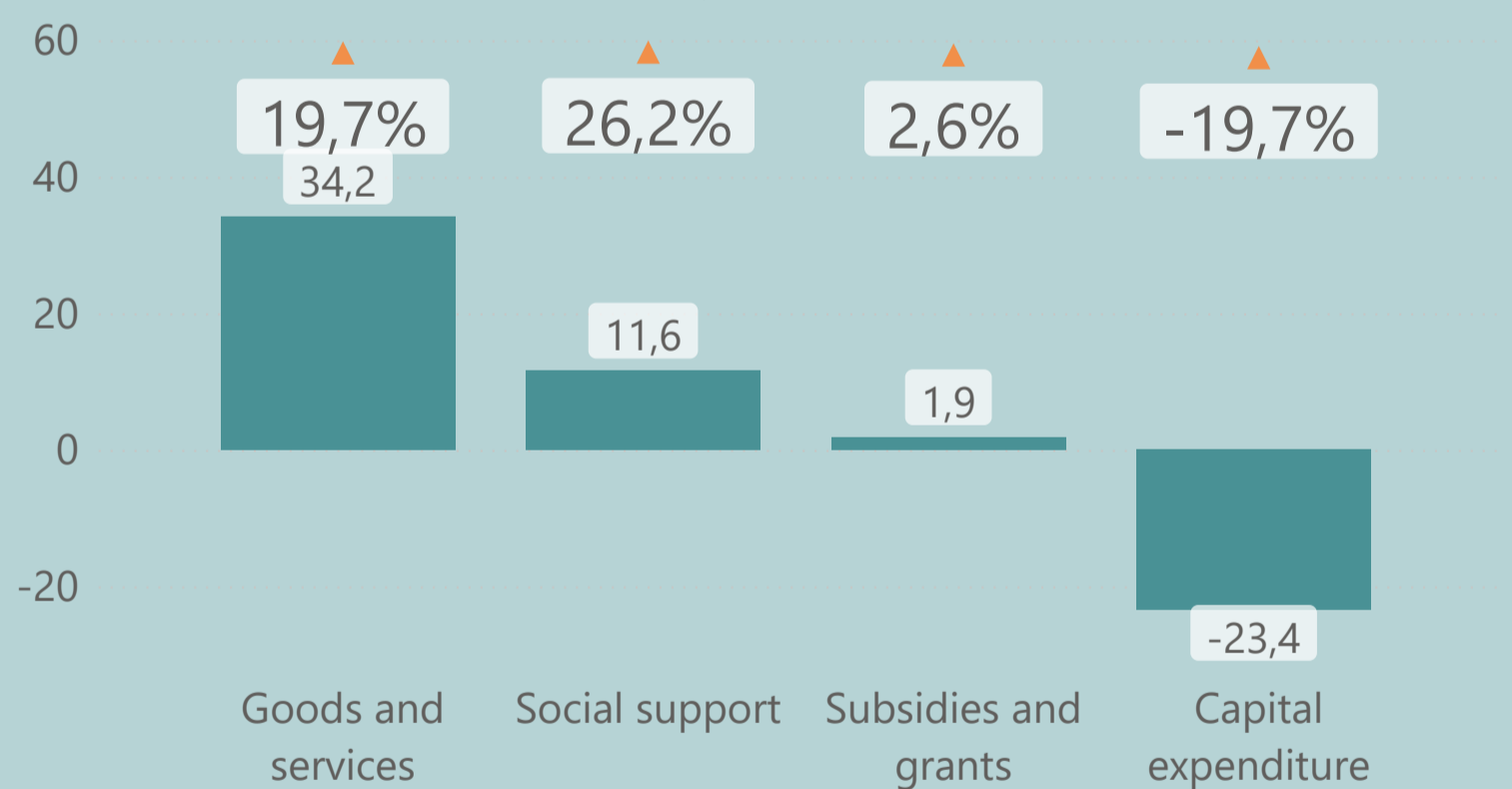
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

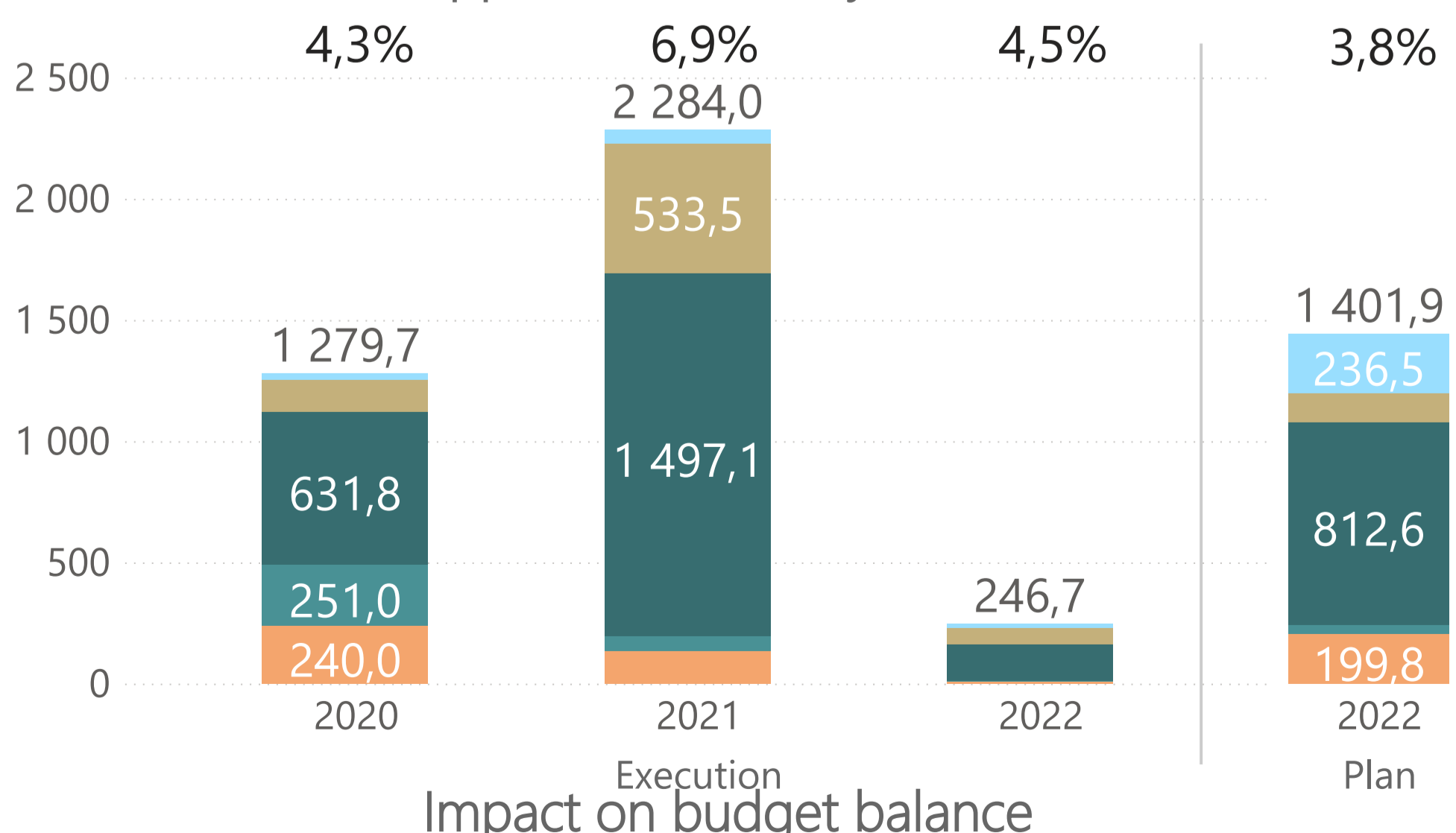
	Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue		1 007,1	112,0	12,5%
Expenditure		842,5	19,1	2,3%
Balance		164,6	92,9	

Major changes in mln € and % against respective period year before

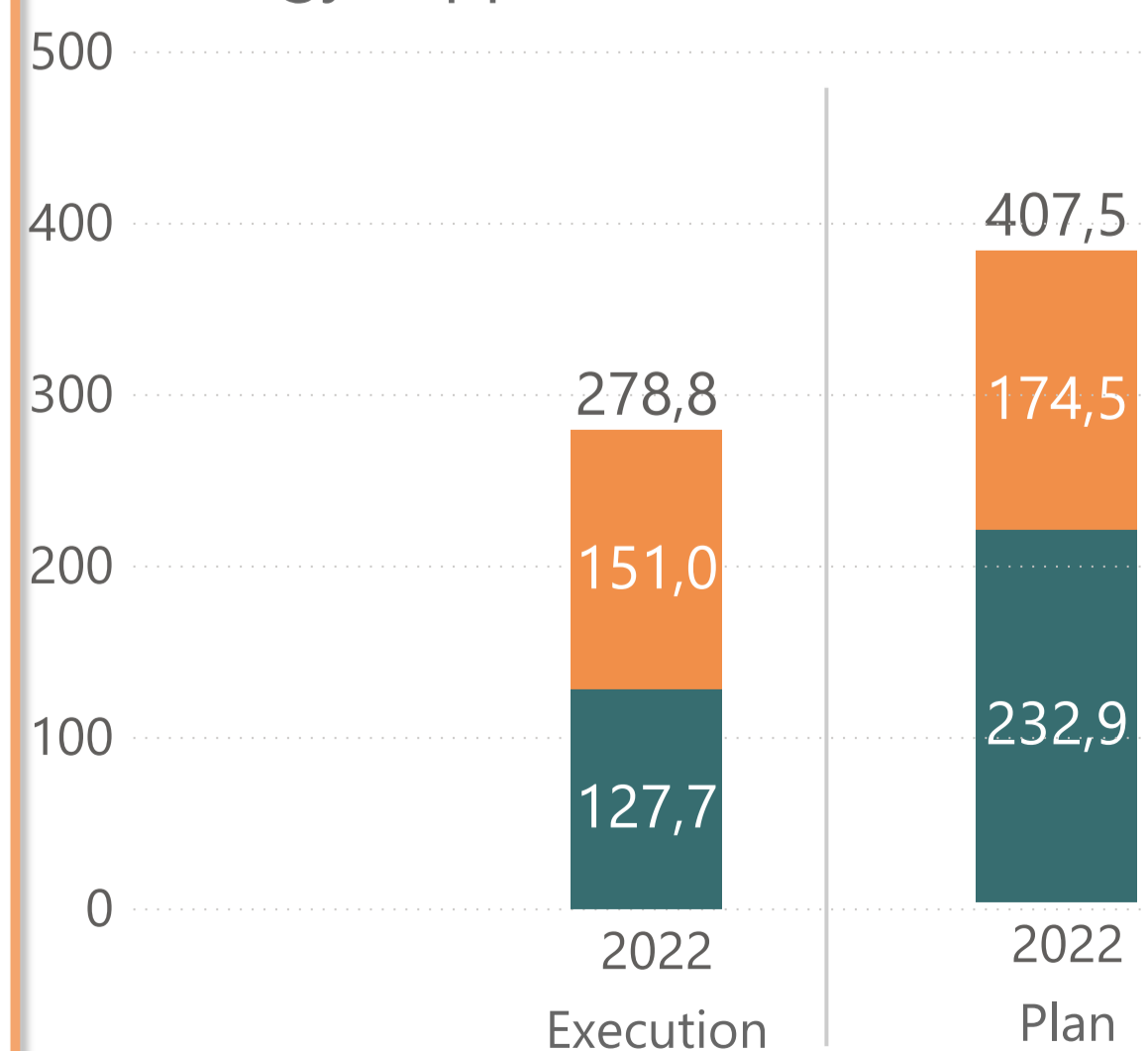


CRISIS SUPPORT MEASURES

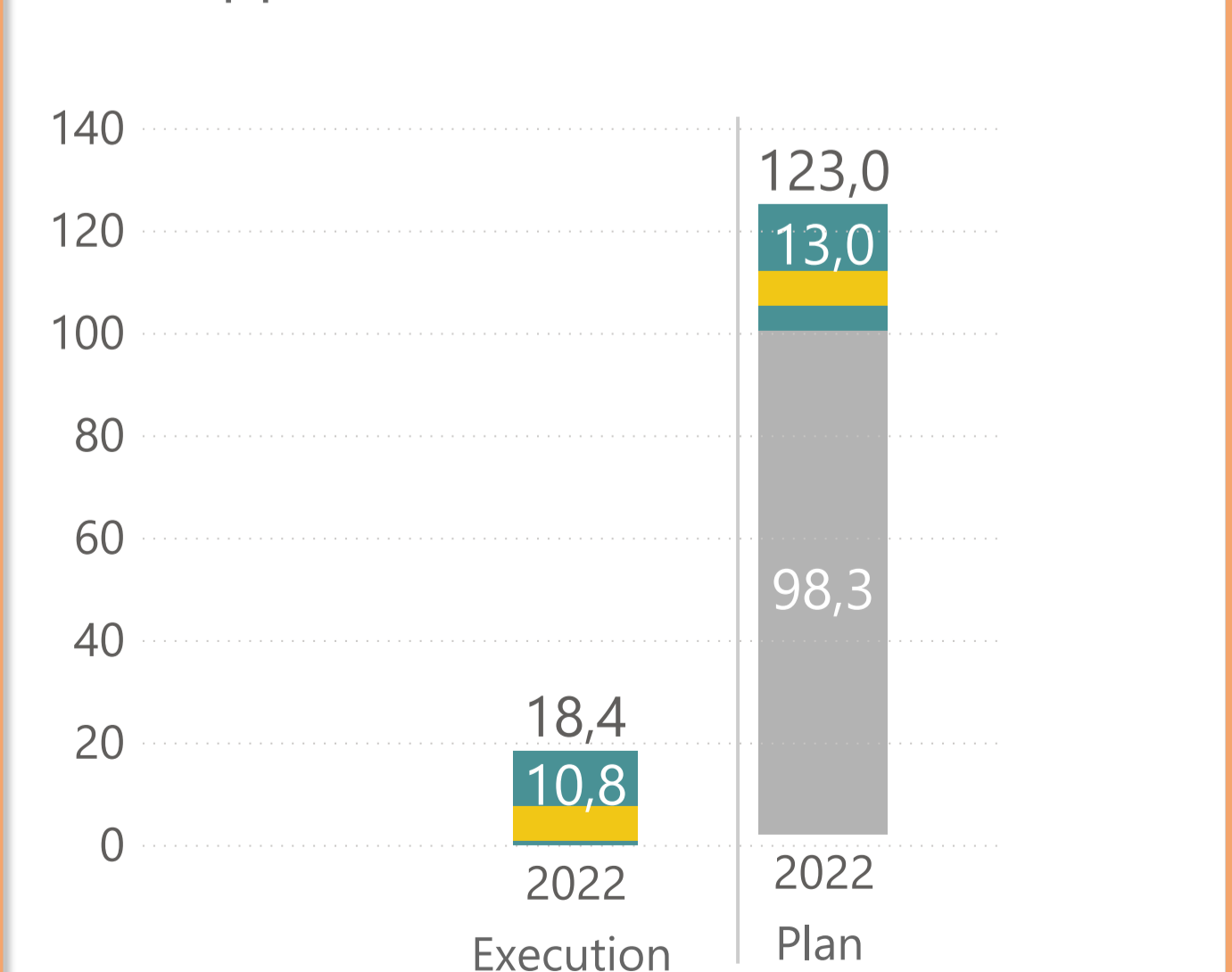
Covid-19 support to economy, mln € and % of GDP



Energy support measures, mln €



Support to Ukrainian citizens, mln €



Source: Assessment of the MoF according to the government decisions till May 10, 2022, data from the State Treasury, State Revenue Service, ALTUM etc