

MACROECONOMIC AND BUDGETARY REVIEW 2022

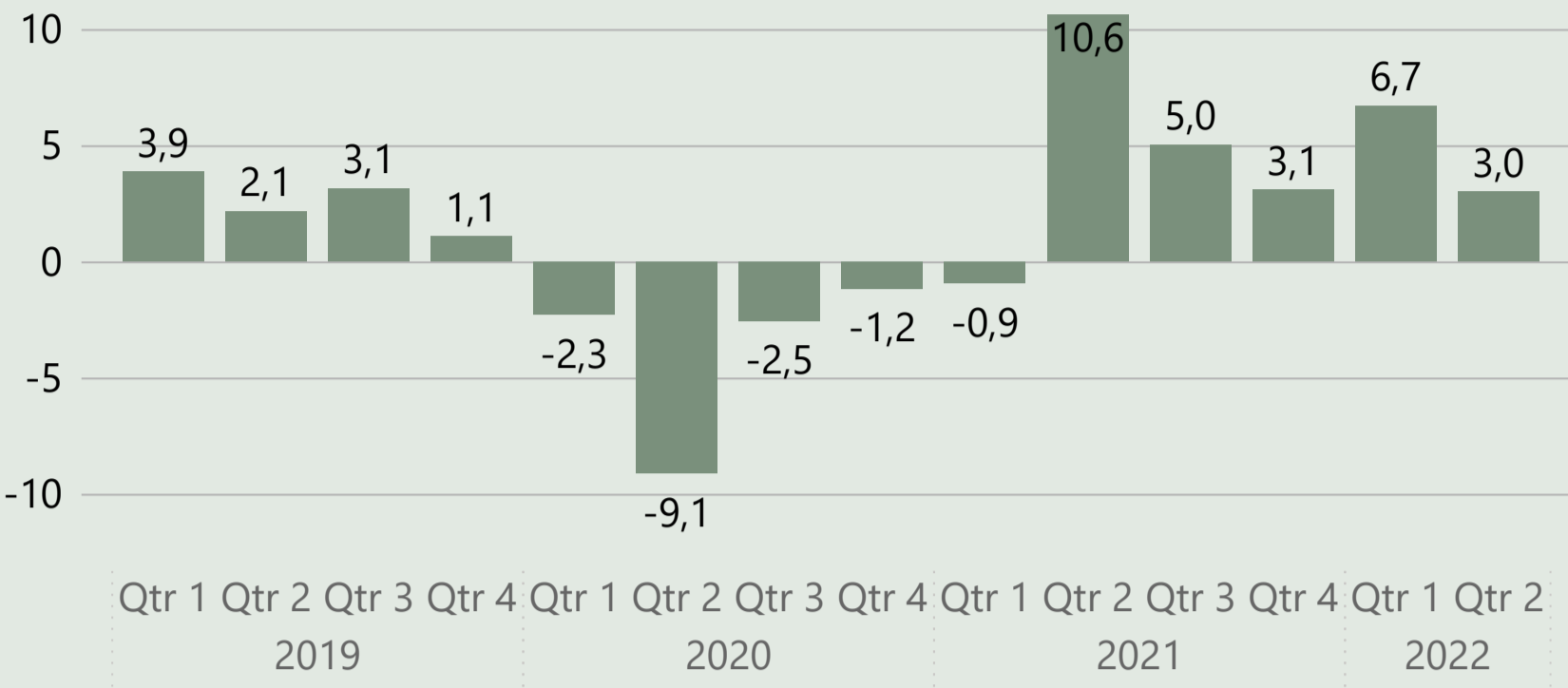
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GROSS DOMESTIC PRODUCT (GDP)

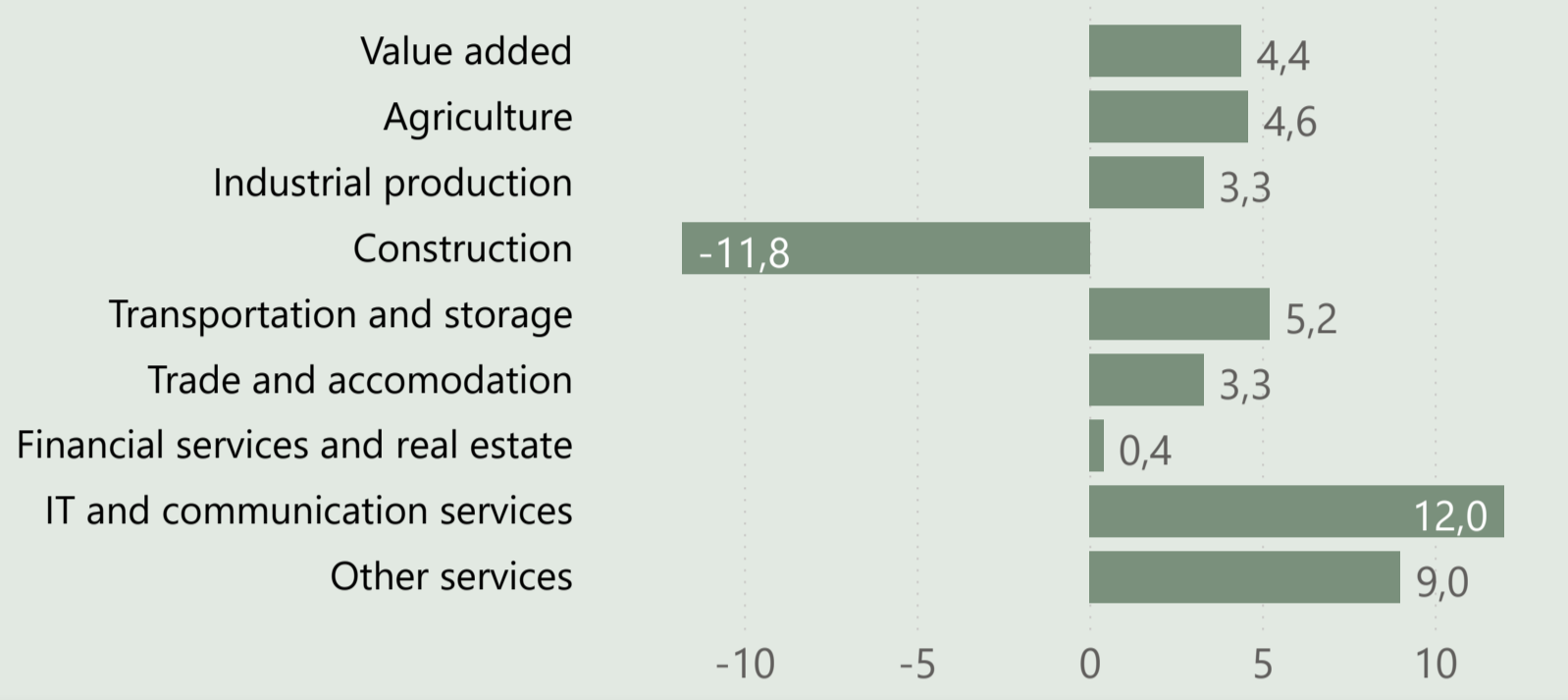
GDP 2021
32 867 mln €
CSB, 22.04.2022.

GDP growth 2022
2.8%
MoF forecast, August 2022

GDP growth, YoY%



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



Source: Central Statistical Bureau (CSB)

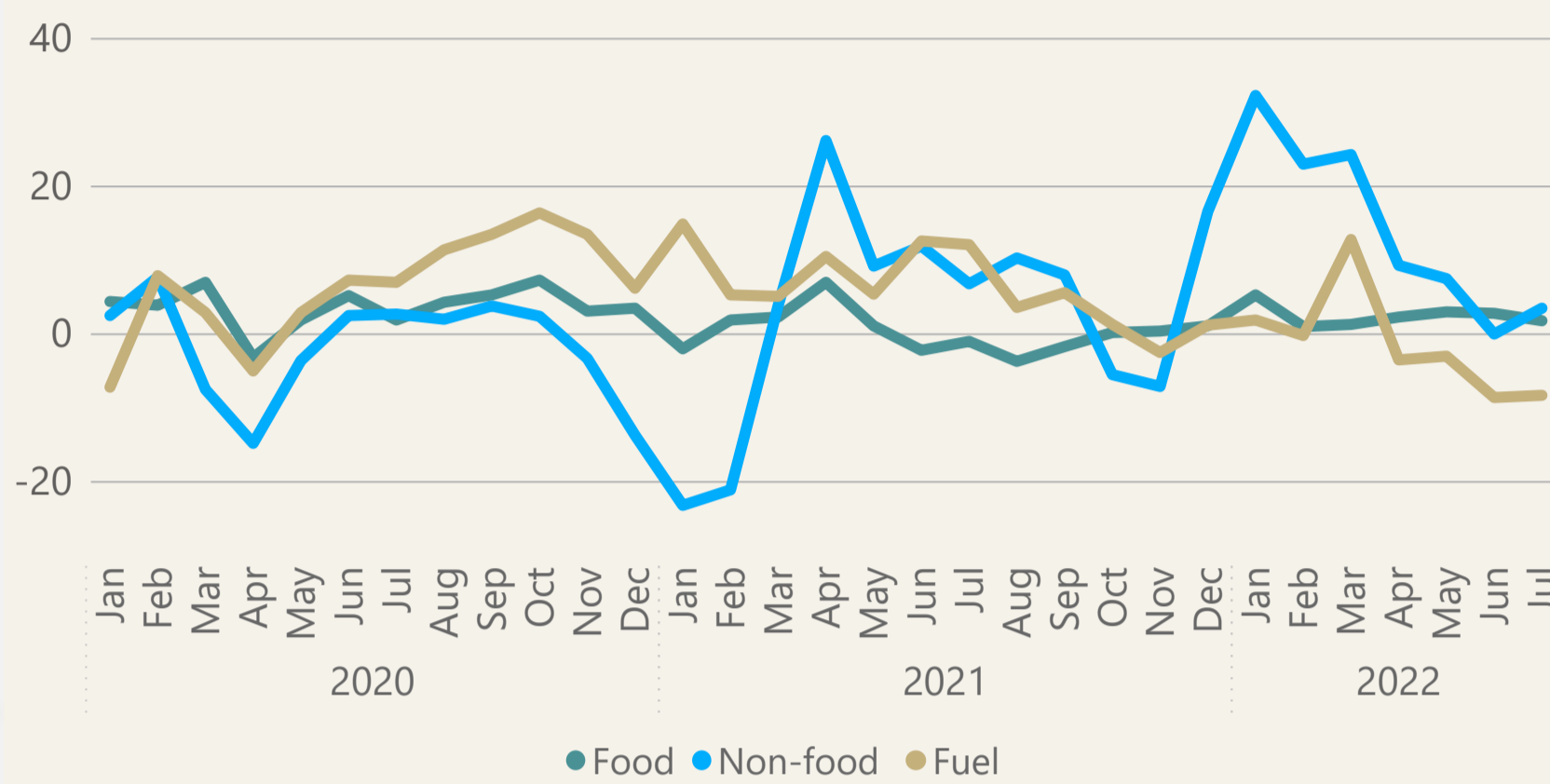
MAIN MACROECONOMIC INDICATORS

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	16,7	7,7	5,4	6,1
Real GDP growth, %	2,4	3,3	4	2,5	-3,8	4,5	2,8	1	3	3,4
GDP deflator, % change	0,9	2,9	3,9	2,6	-0,1	6,8	13,5	6,7	2,3	2,6
Consumer price index, % change	0,2	2,9	2,6	2,8	0,2	3,3	16,5	6,5	1	2
Average monthly gross wage, EUR	859	926	1004	1076	1143	1277	1379	1462	1539	1616
nominal growth, %	5	7,8	8,4	7,2	6,2	11,7	8	6	5,3	5
real growth, %	4,8	4,7	5,7	4,2	6	8,2	-7,3	-0,5	4,3	2,9
Number of persons employed, thsd	893	895	909	910	893	864	881	881	879	877
growth, %	-0,3	0,2	1,6	0,1	-1,9	-3,2	2	0	-0,2	-0,3
Unemployment rate, %	9,6	8,7	7,4	6,3	8,1	7,6	7,1	7,1	6,7	6,5

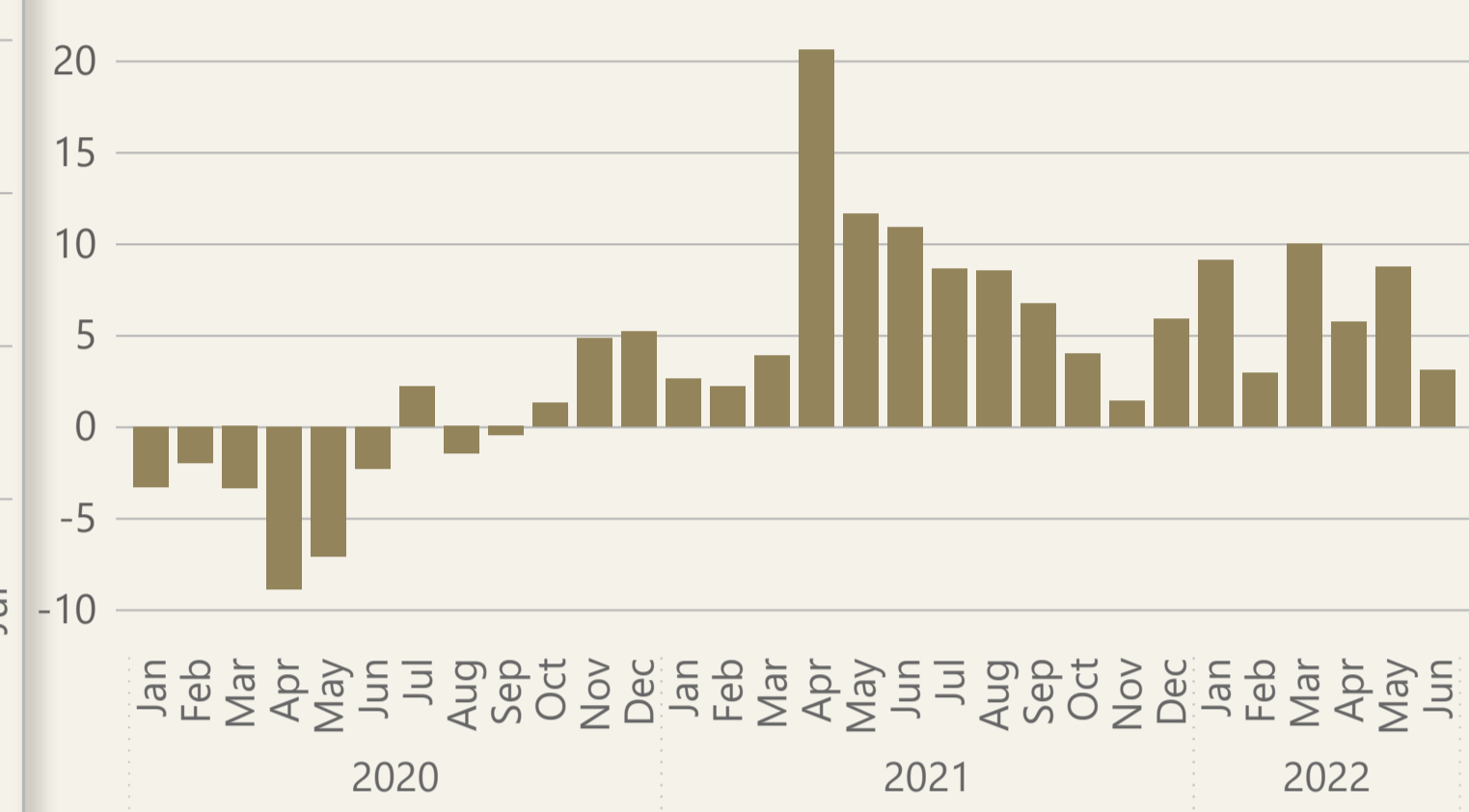
Source: CSB (11.08.2022), *forecasts of the Ministry of Finance of the Republic of Latvia (August 2022)

INDUSTRIES

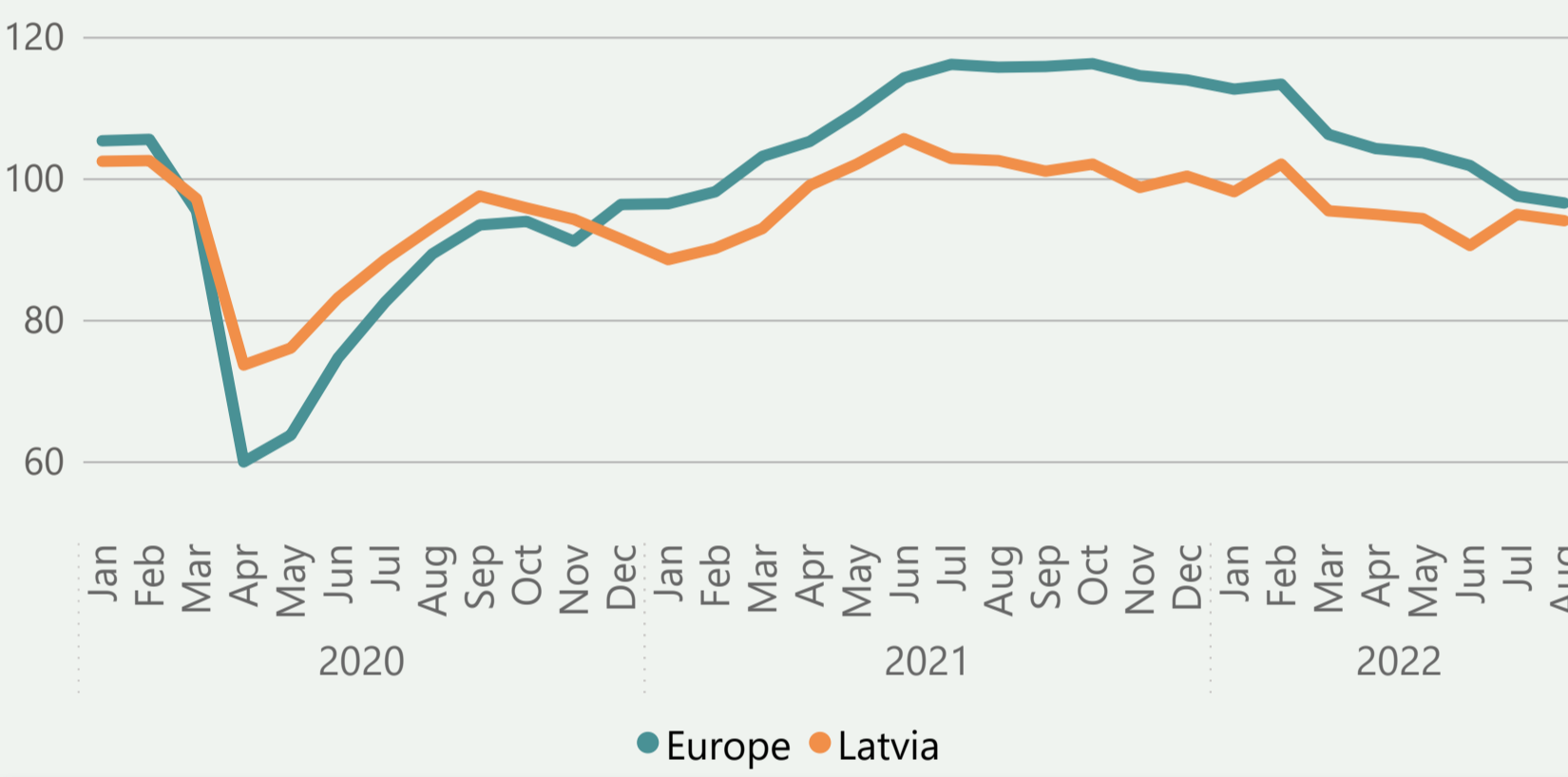
Retail trade growth, YoY%



Manufacturing output, YoY%

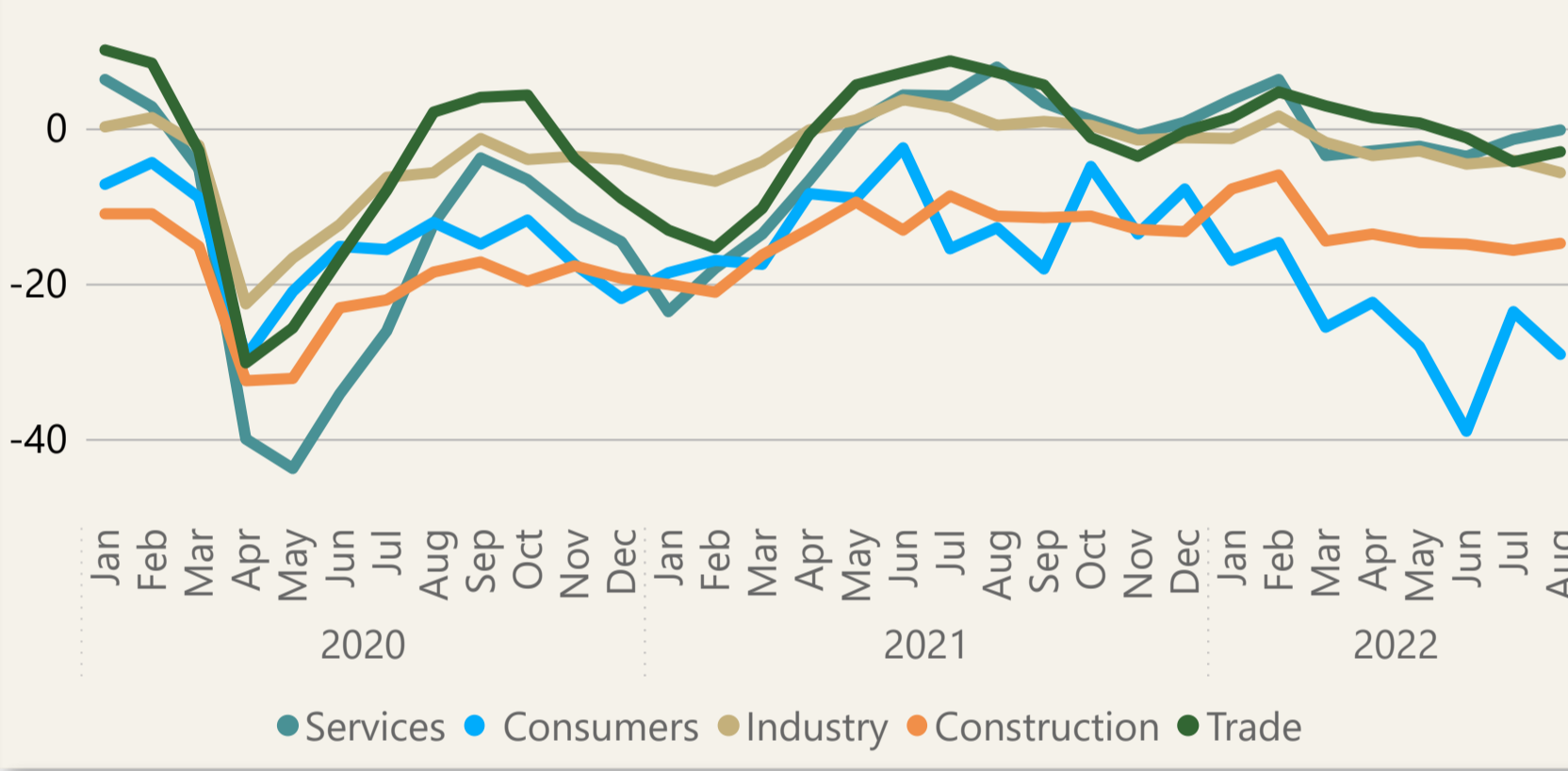


Economic confidence



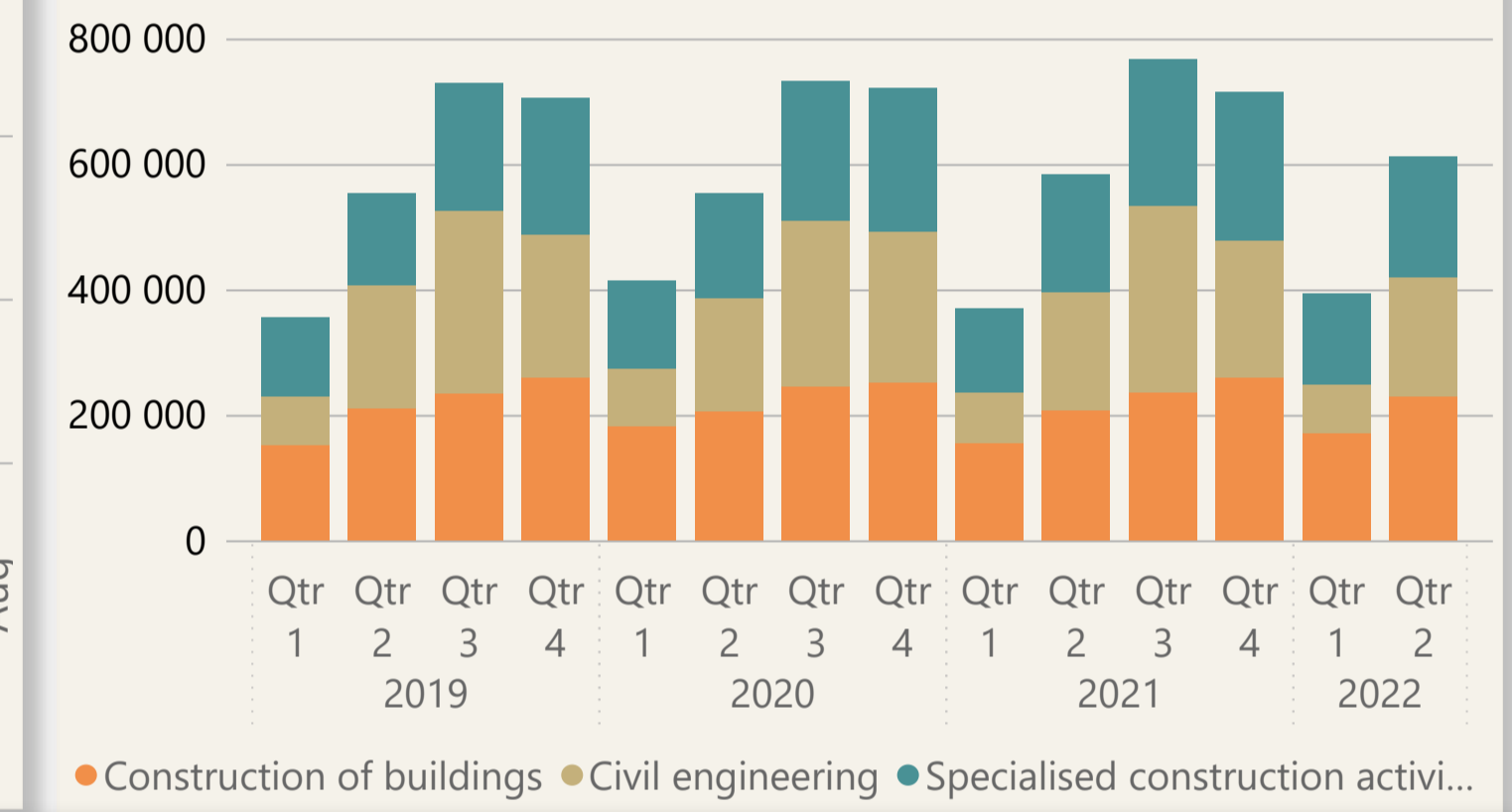
Source: European Commission

ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



INFLATION

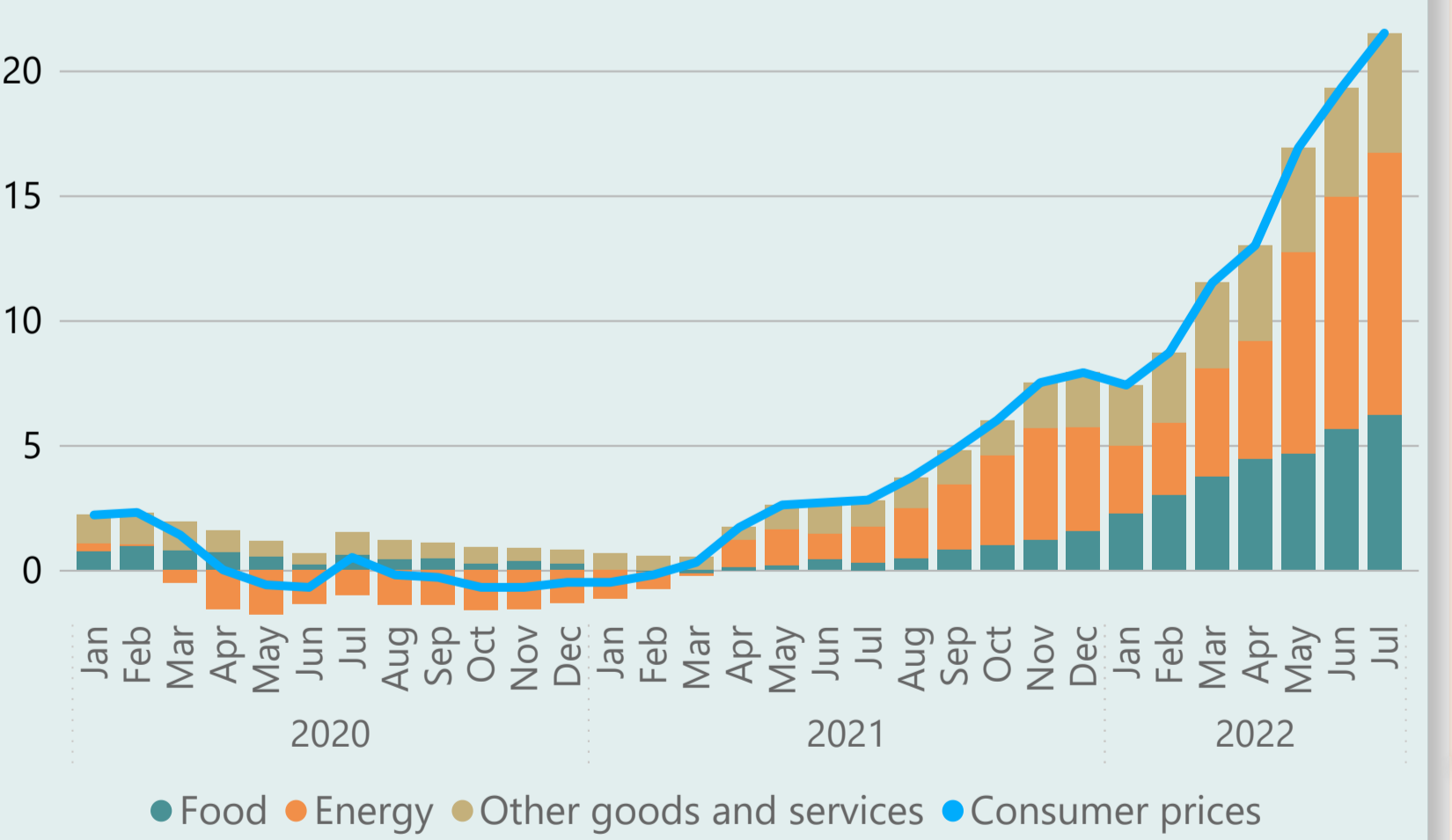
Inflation

21,5%
July 2022

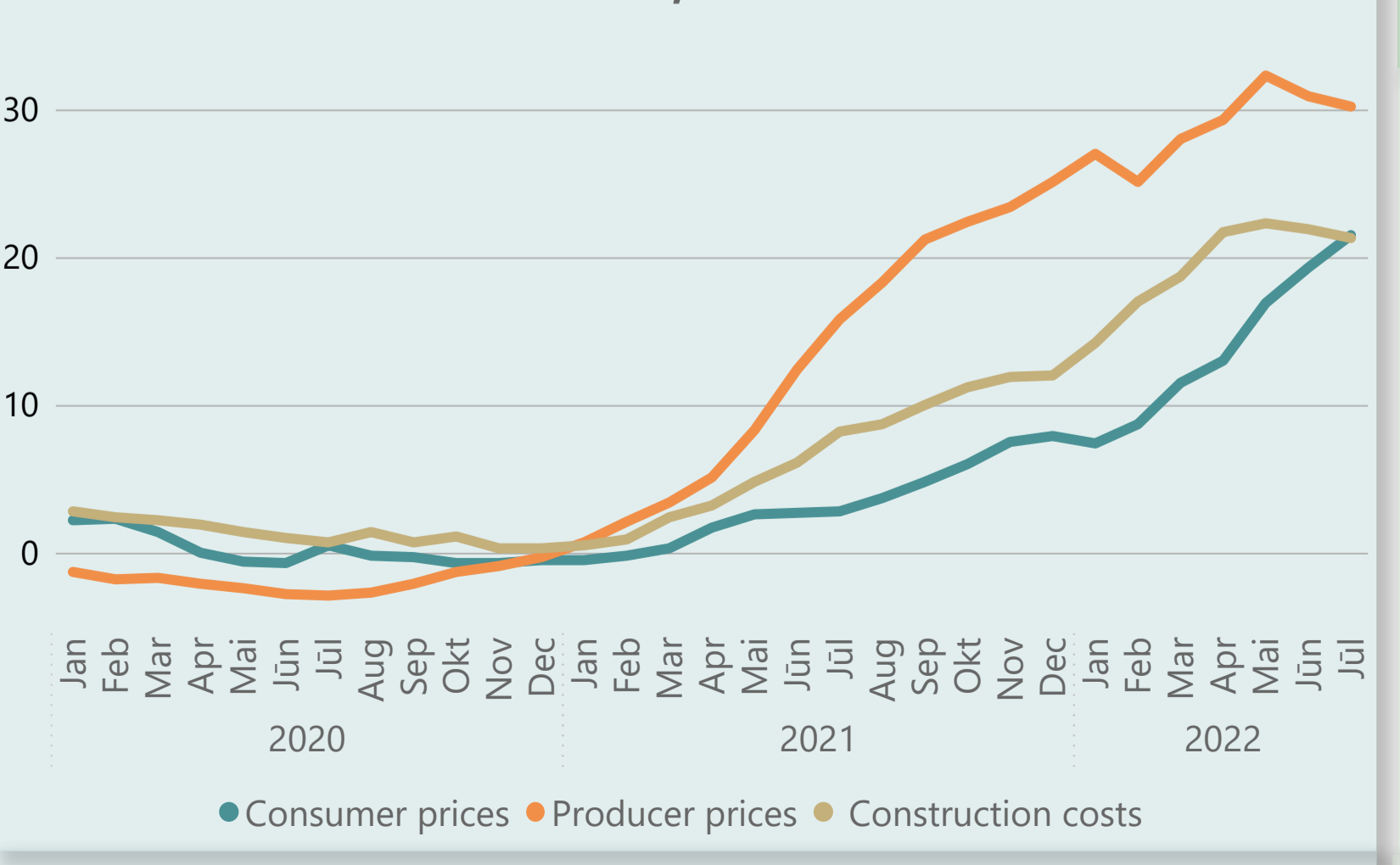
Producer price rise

30.2%
July 2022

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

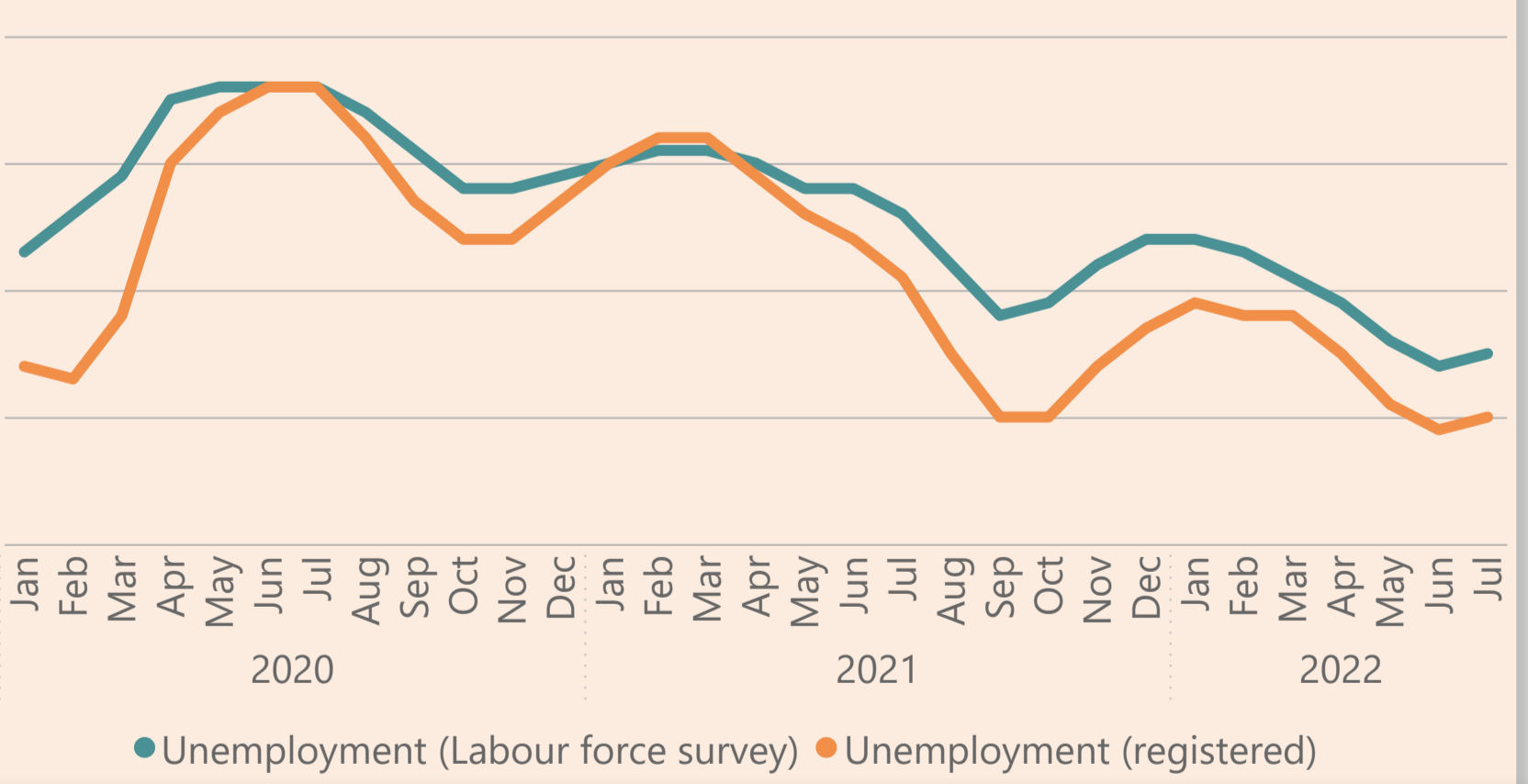
Registered

6.0%
July 2022

Labour force survey

6.5%
July 2022

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 358€
(+9.1% YoY)
2Q 2022

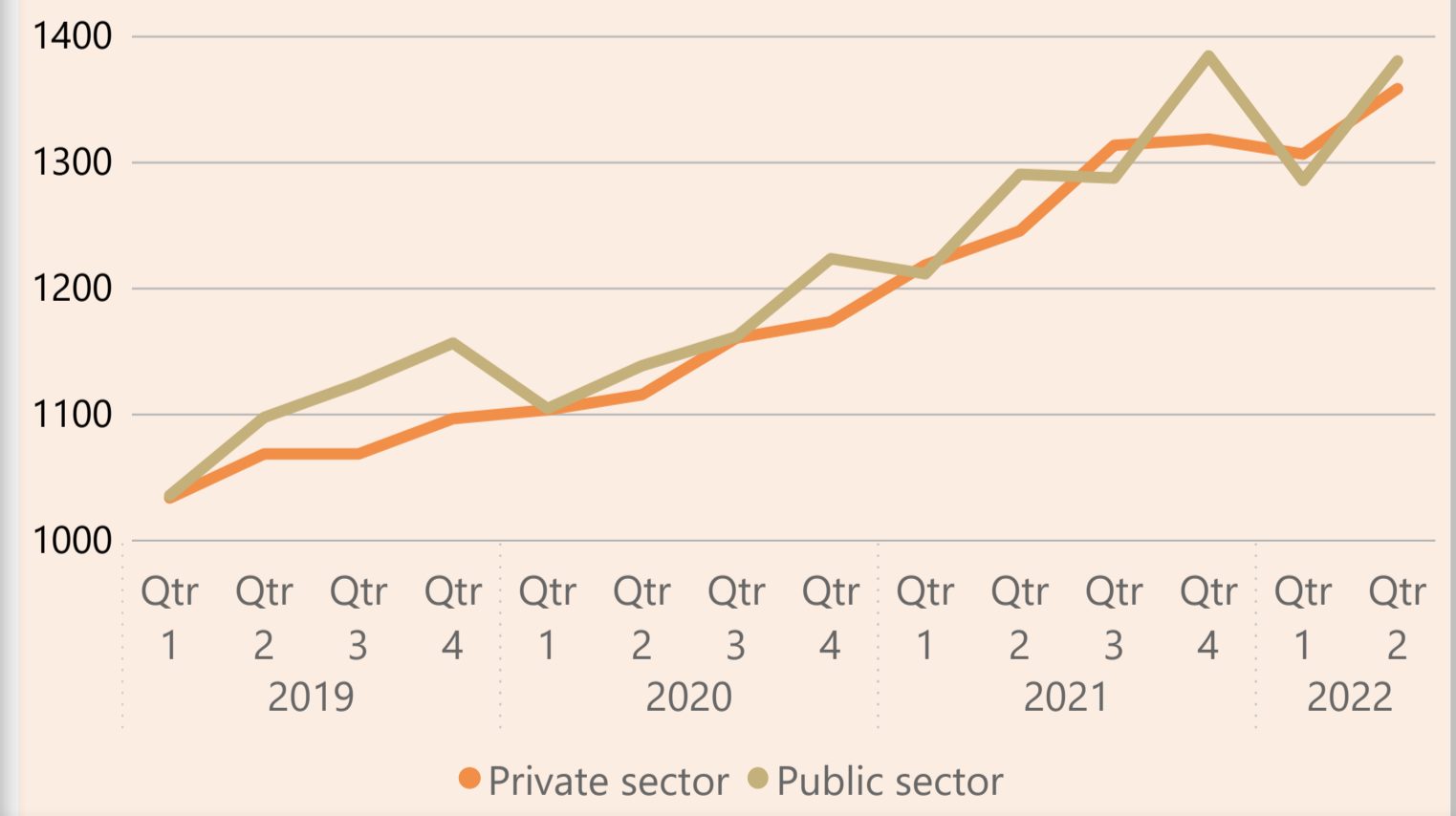
Public sector

1 380€
(+7% YoY)
2Q 2022

Total

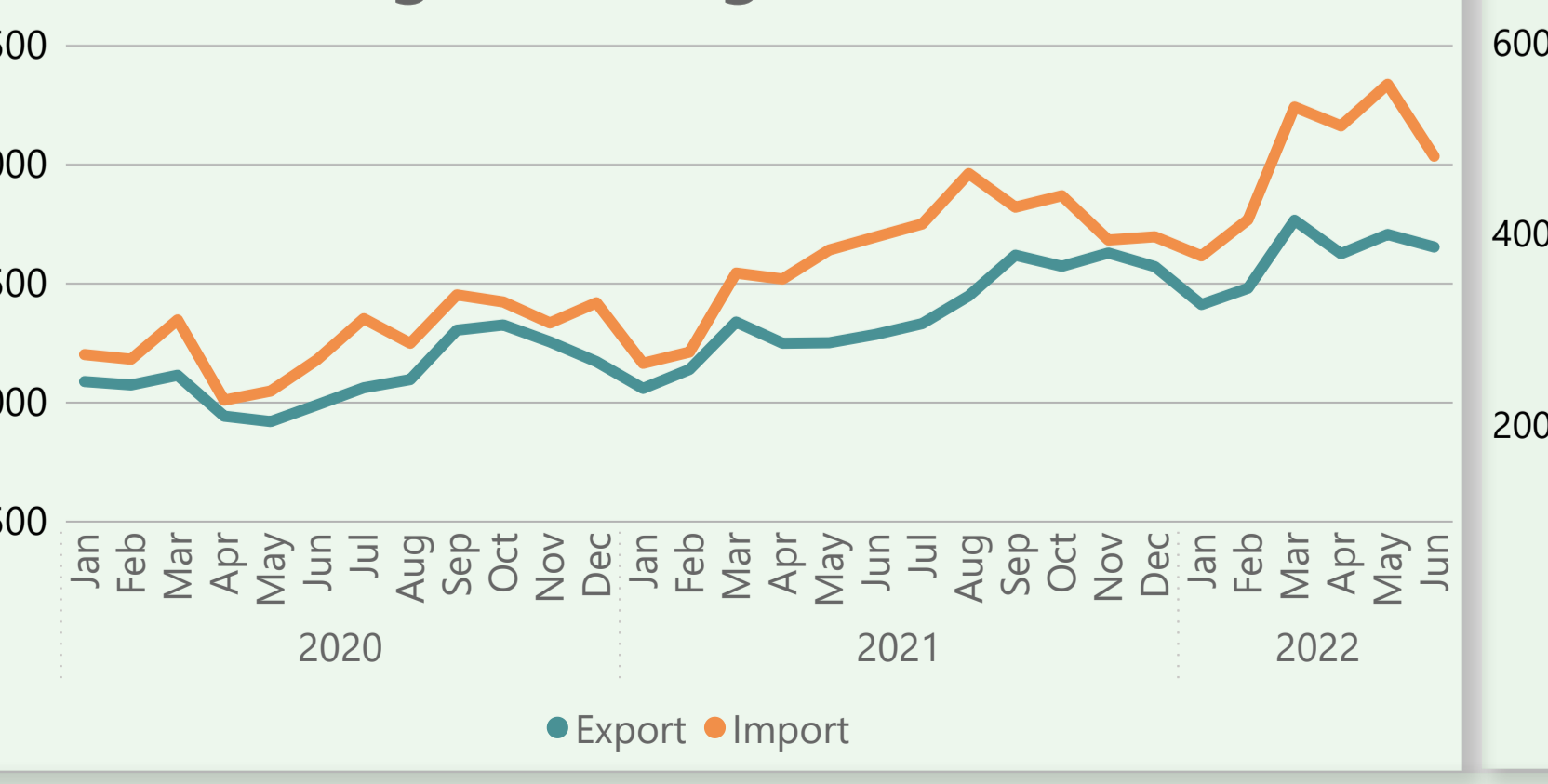
1 362€
(+8.3% YoY)
2Q 2022

Average monthly gross wage, €



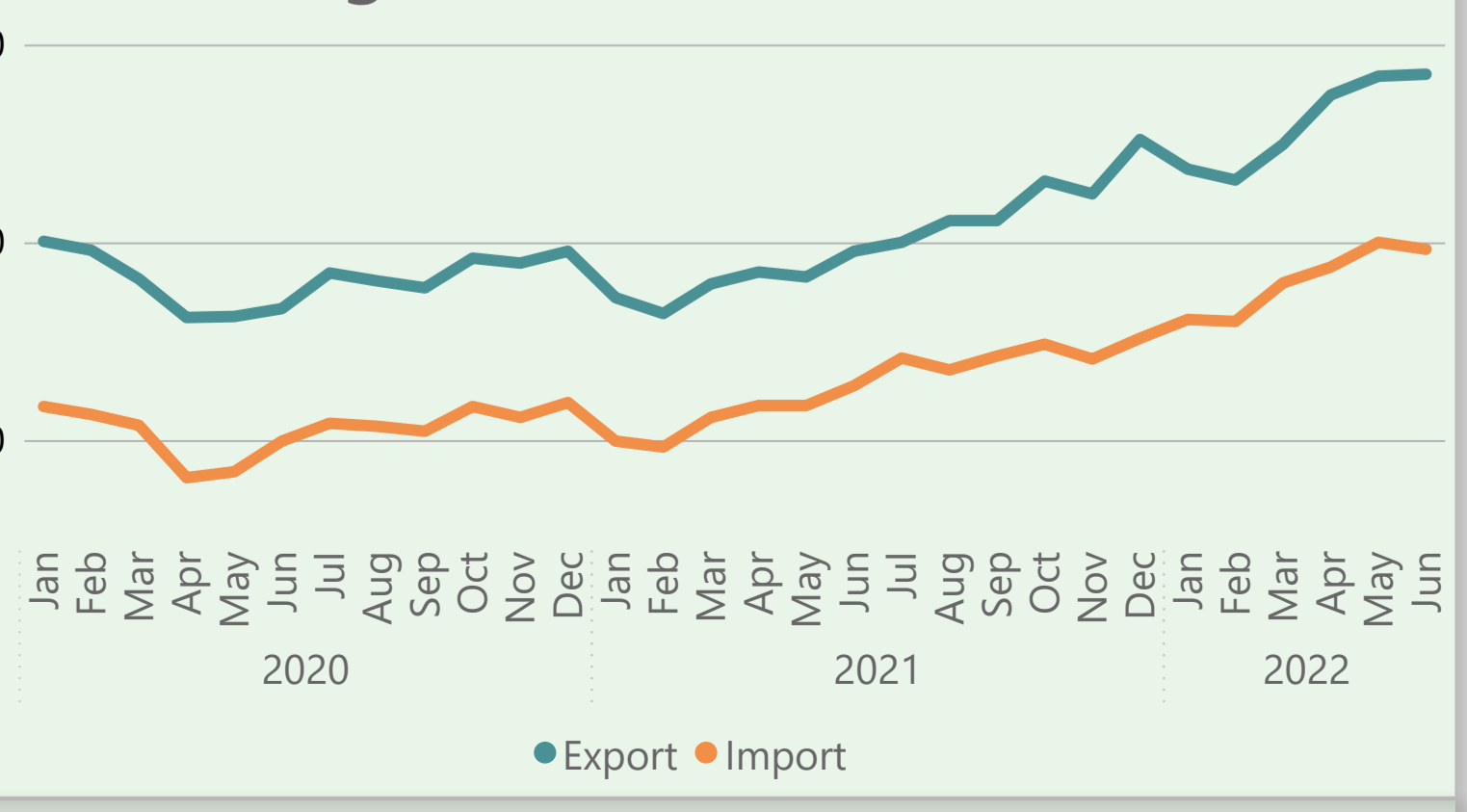
FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB

Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2022

-6,5% of GDP

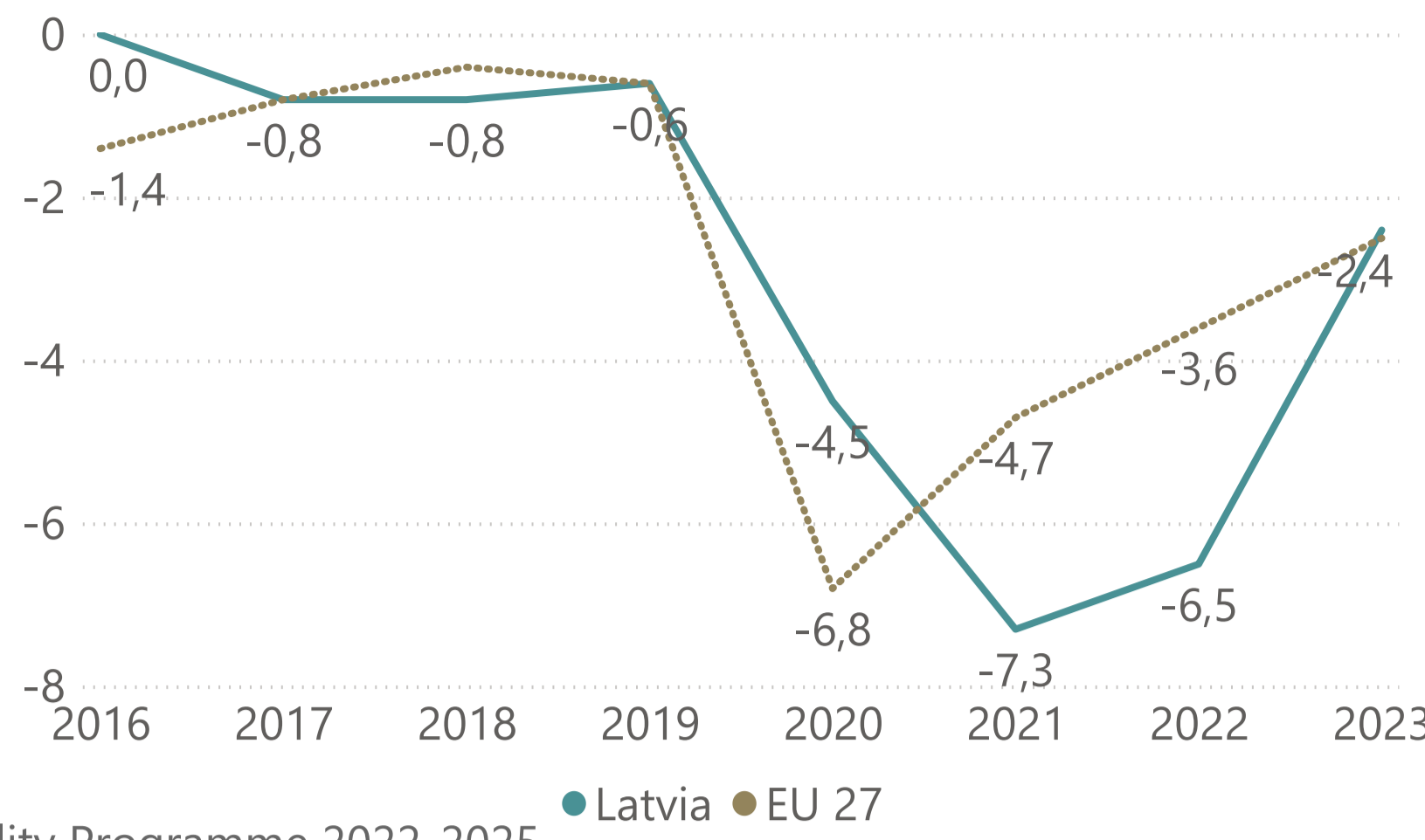
Forecast of MoF, SP 2022-2025

General government debt 2022

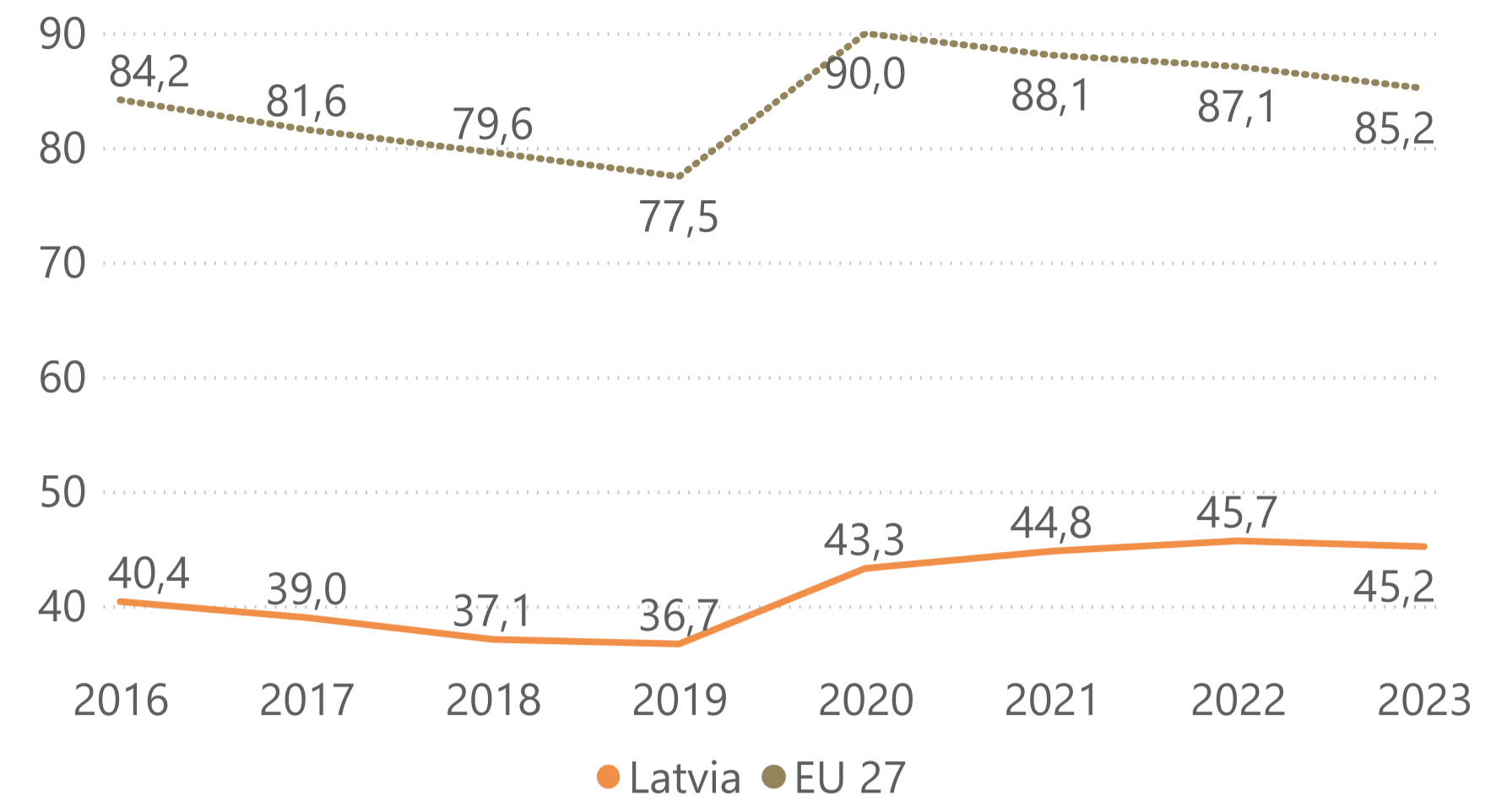
45,7% of GDP

Forecast of State Treasury, SP 2022-2025

General government budget balance, % of GDP



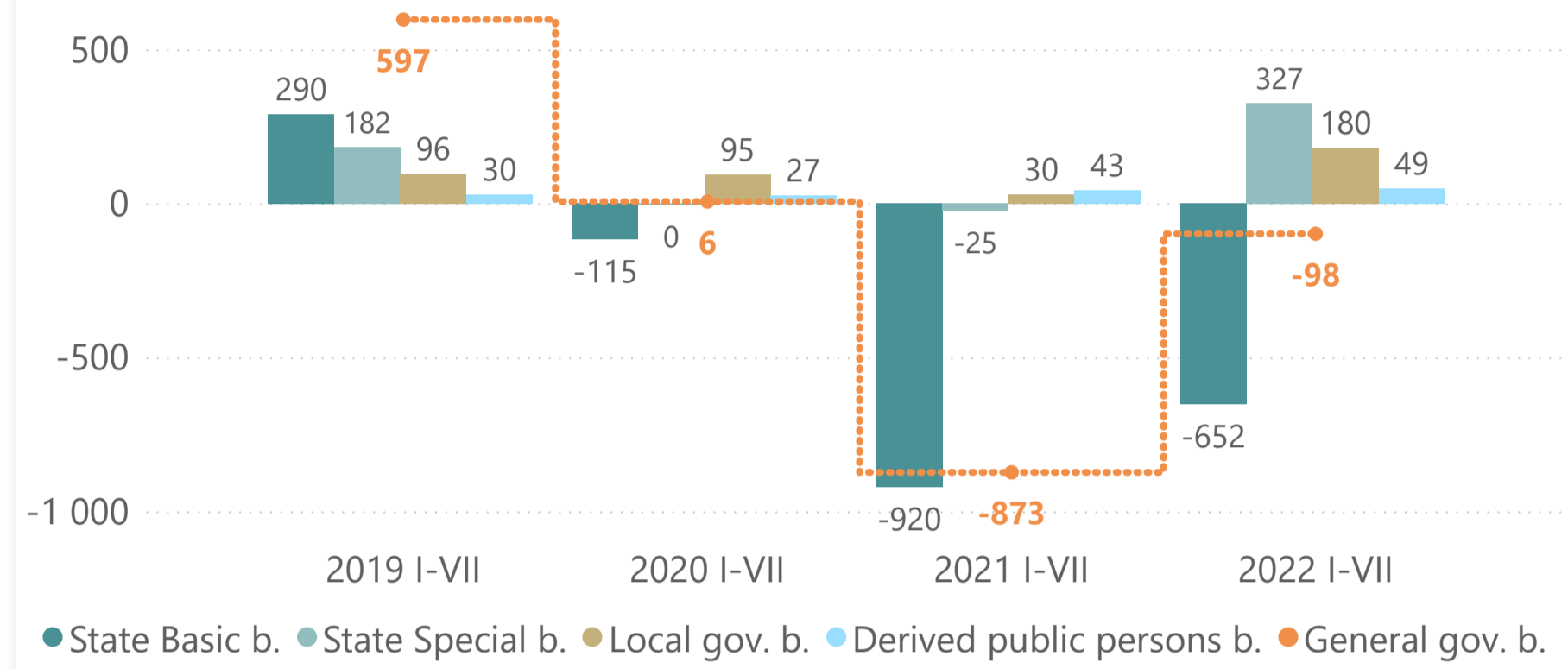
General government debt, % of GDP



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

GENERAL GOVERNMENT BUDGET IN JANUARY - JULY 2022 ON CASH BASIS

General government budget balance, mln €



General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	8 002,4	827,9	11,5%
Expenditure	8 100,6	53,3	0,7%
Balance	-98,2	774,7	

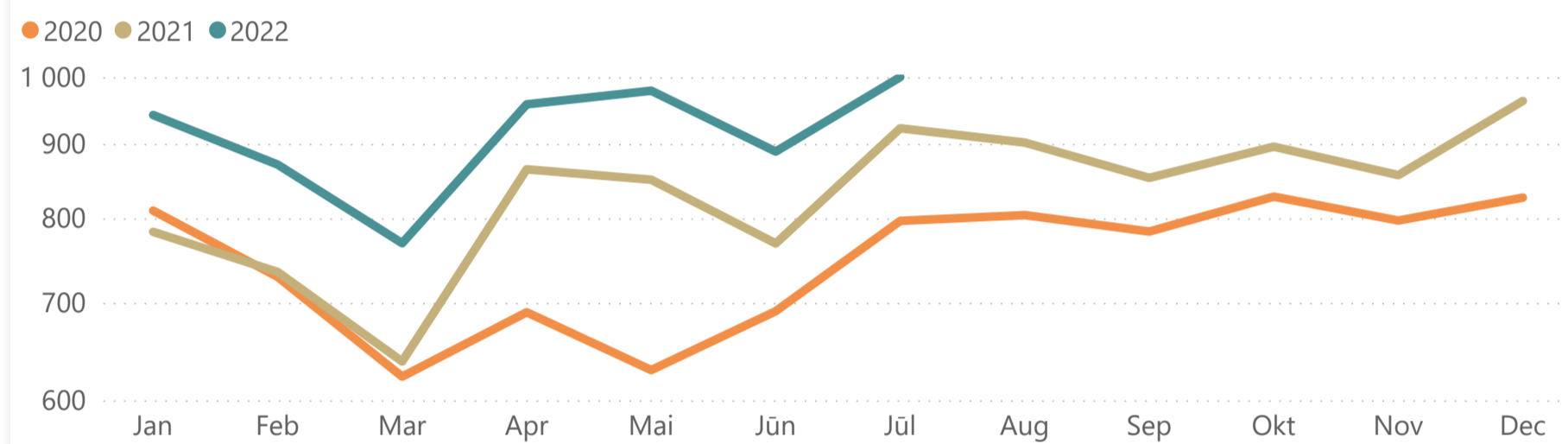
Revenue and expenditure

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	6 434,5	873,2	15,7%
Non tax revenue	585,8	51,1	9,6%
Foreign financial assistance	740,7	-126,8	-14,6%
Expenditure			
Remuneration	1 726,7	59,3	3,6%
Goods and services	969,1	182,1	23,1%
Interest payments	131,0	-57,6	-30,5%
Subsidies and grants	1 995,1	466,7	30,5%
Social support	2 550,6	-584,5	-18,6%
Capital expenditure	457,6	-36,6	-7,4%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	2 119,7	468,7	28,4%
VAT	1 944,8	351,2	22,0%
PIT	1 234,8	304,7	32,8%
EXCISE	644,8	26,7	4,3%
CIT	240,4	43,2	21,9%

General government budget tax revenue, mln €



Source: Treasury. General government budget tax revenue in January-July 2022 including revenue in the single tax account -93.8 mln euro.

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 607,3	161,6	3,6%
Expenditure	5 259,5	-106,7	-2,0%
Balance	-652,1	268,3	

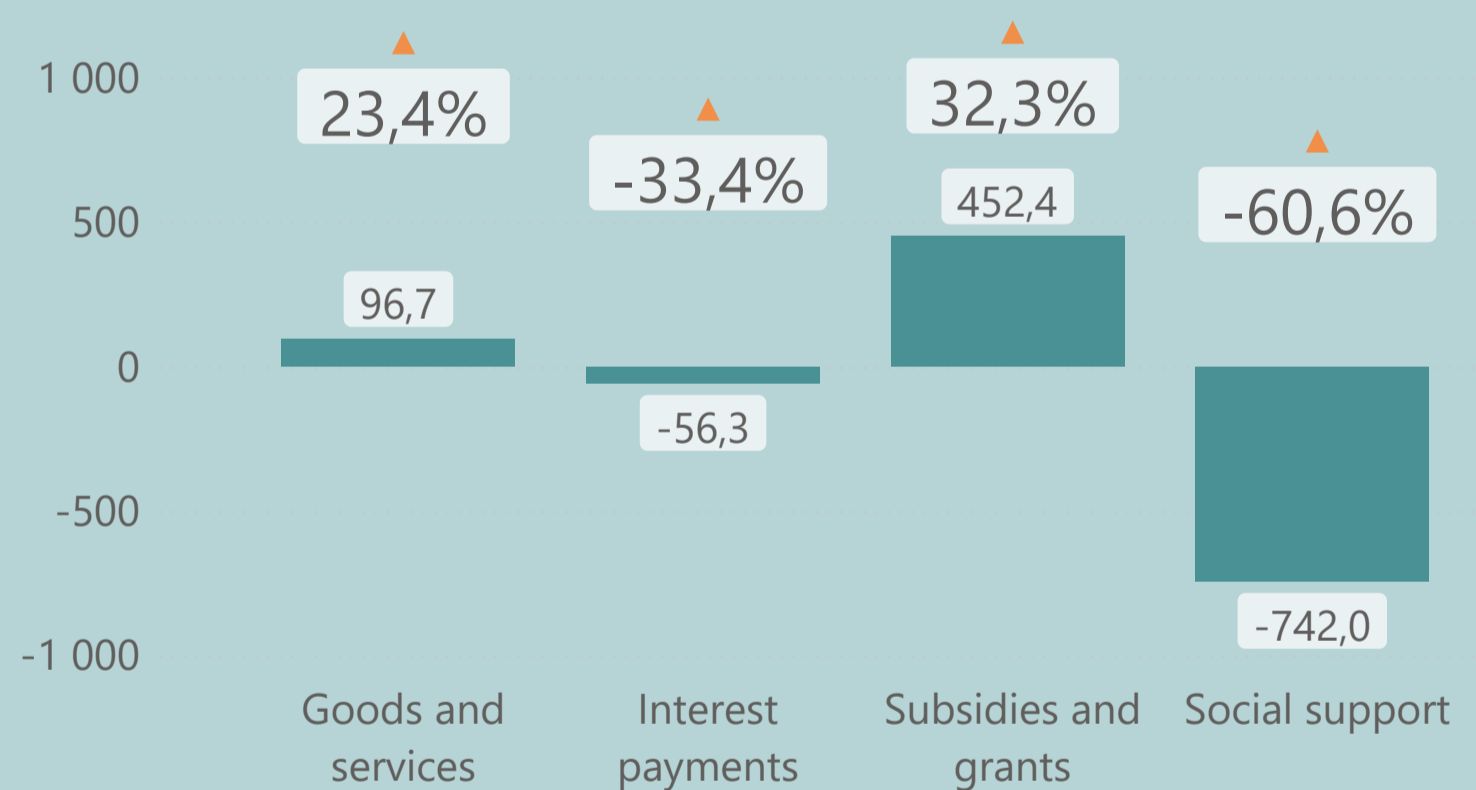
STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 295,0	478,2	26,3%
Expenditure	1 968,1	126,5	6,9%
Balance	326,9	351,7	

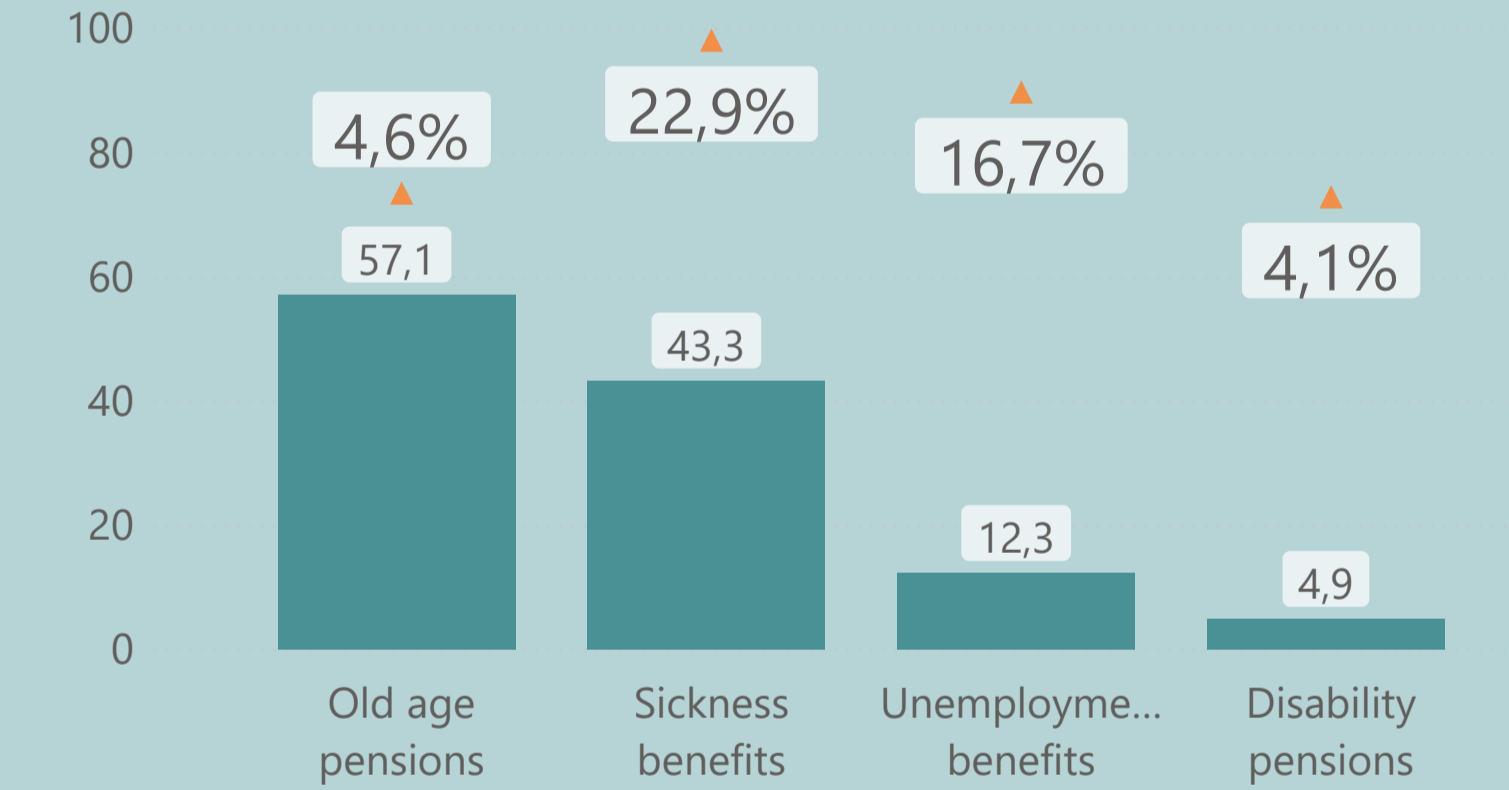
LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 574,5	142,5	9,9%
Expenditure	1 421,7	33,6	2,4%
Balance	152,8	108,9	

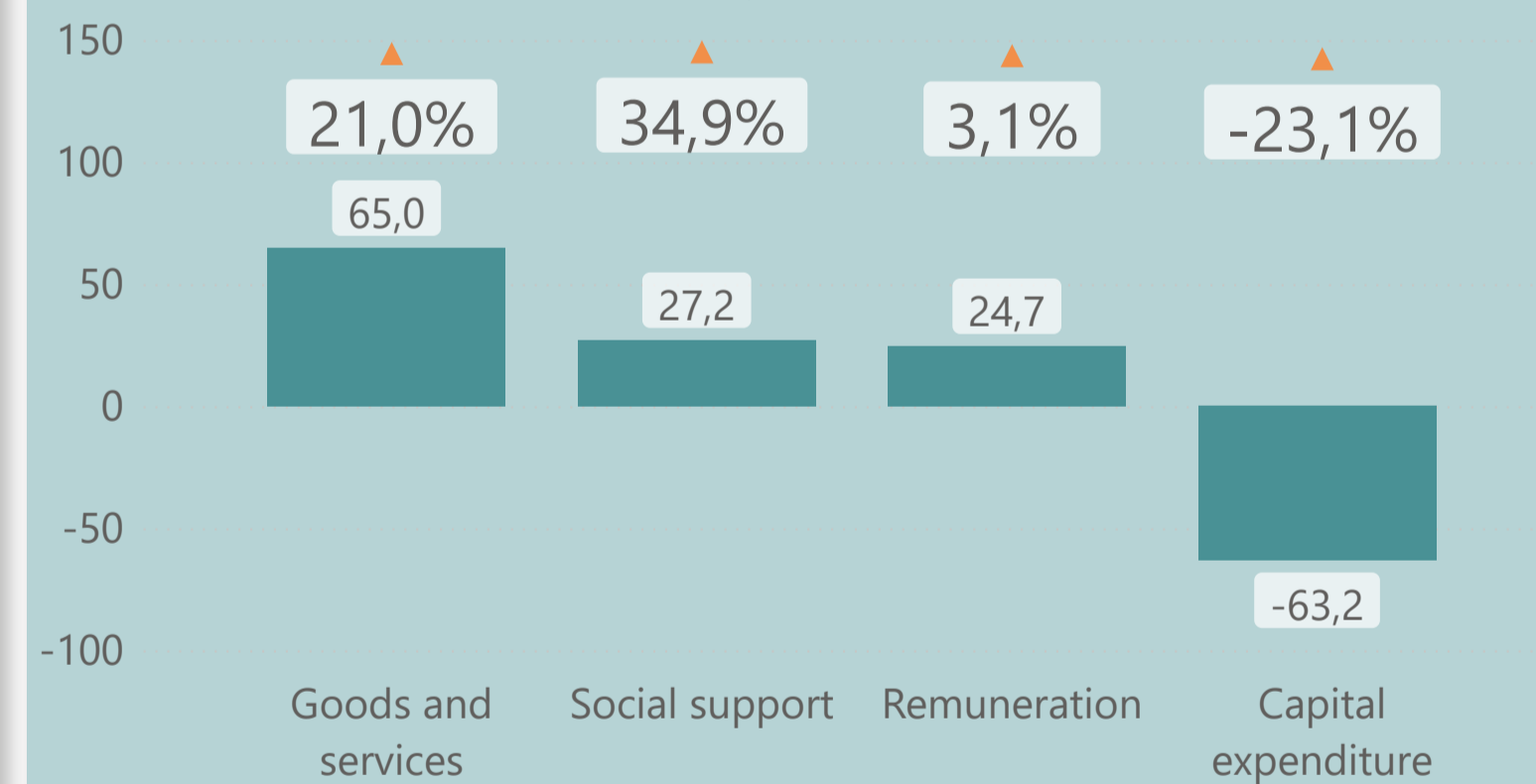
Major changes in mln € and % against respective period year before



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



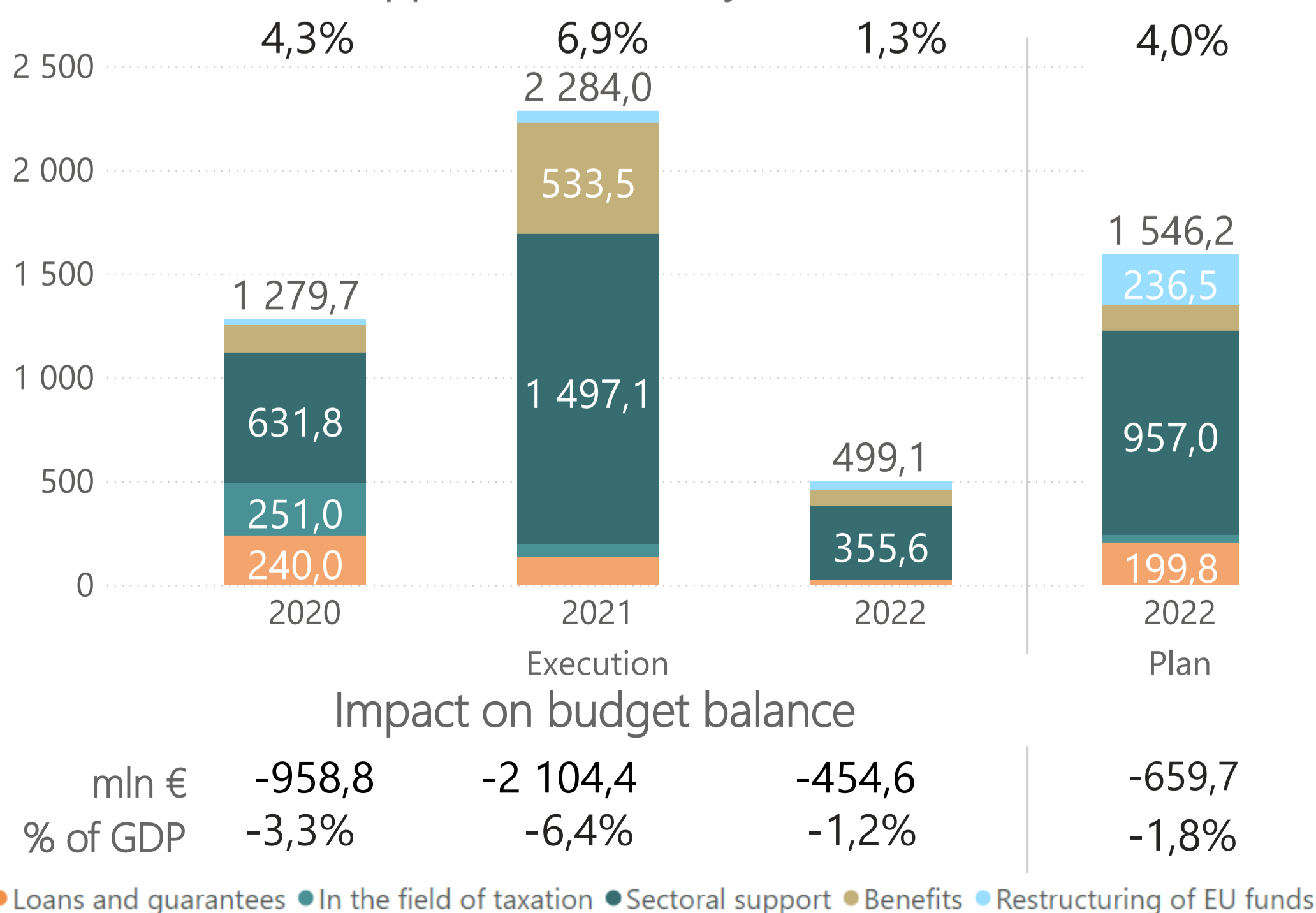
Major changes in mln € and % against respective period year before



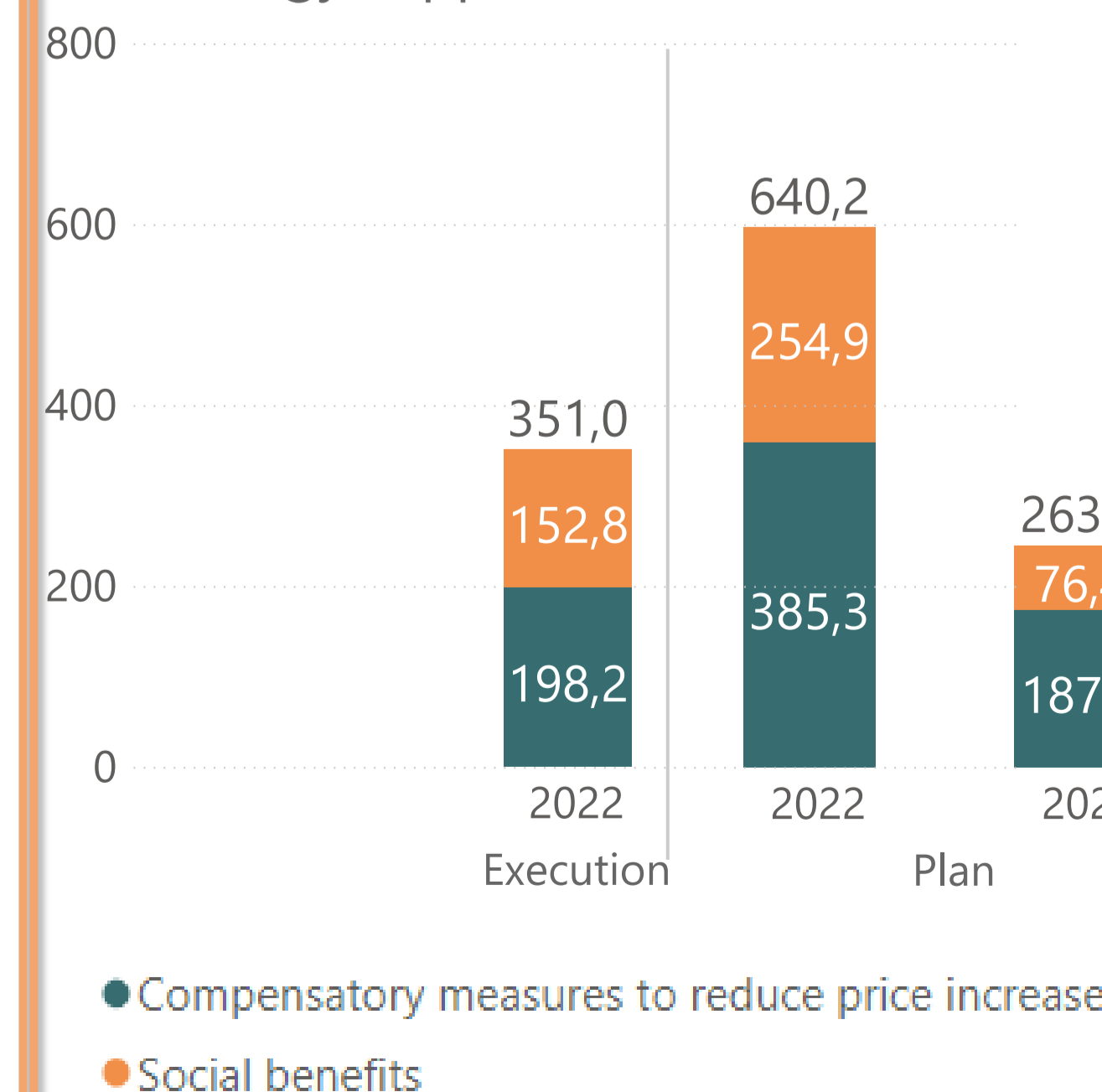
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

CRISIS SUPPORT MEASURES

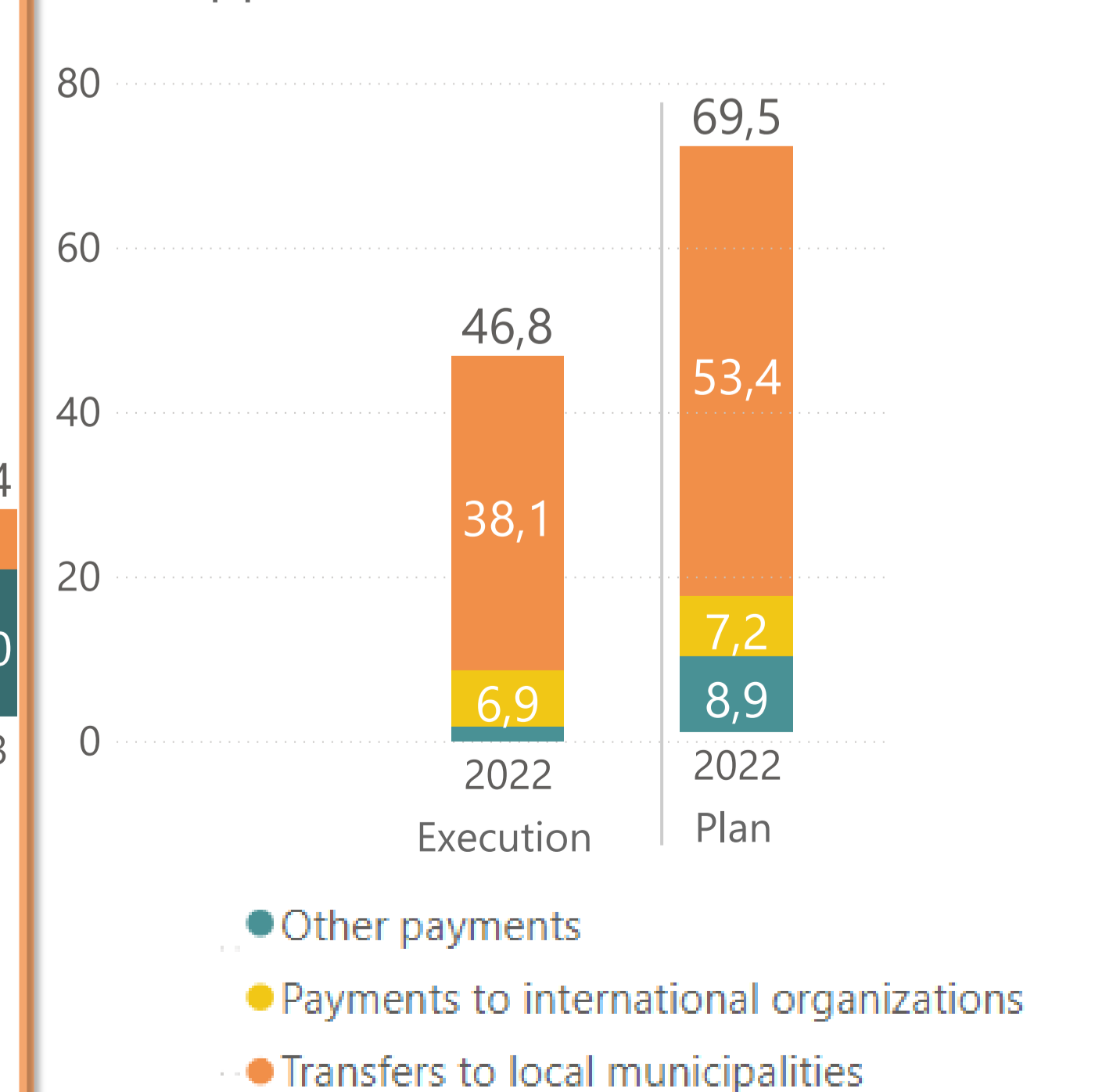
Covid-19 support to economy, mln € and % of GDP



Energy support measures, mln €



Support to Ukrainian citizens, mln €



Source: Plan and execution according to the government decisions and data from the State Treasury, State Revenue Service, ALTUM, etc. till August 21, 2022.