

GROSS DOMESTIC PRODUCT (GDP)

GDP 2022

38 870 mln €

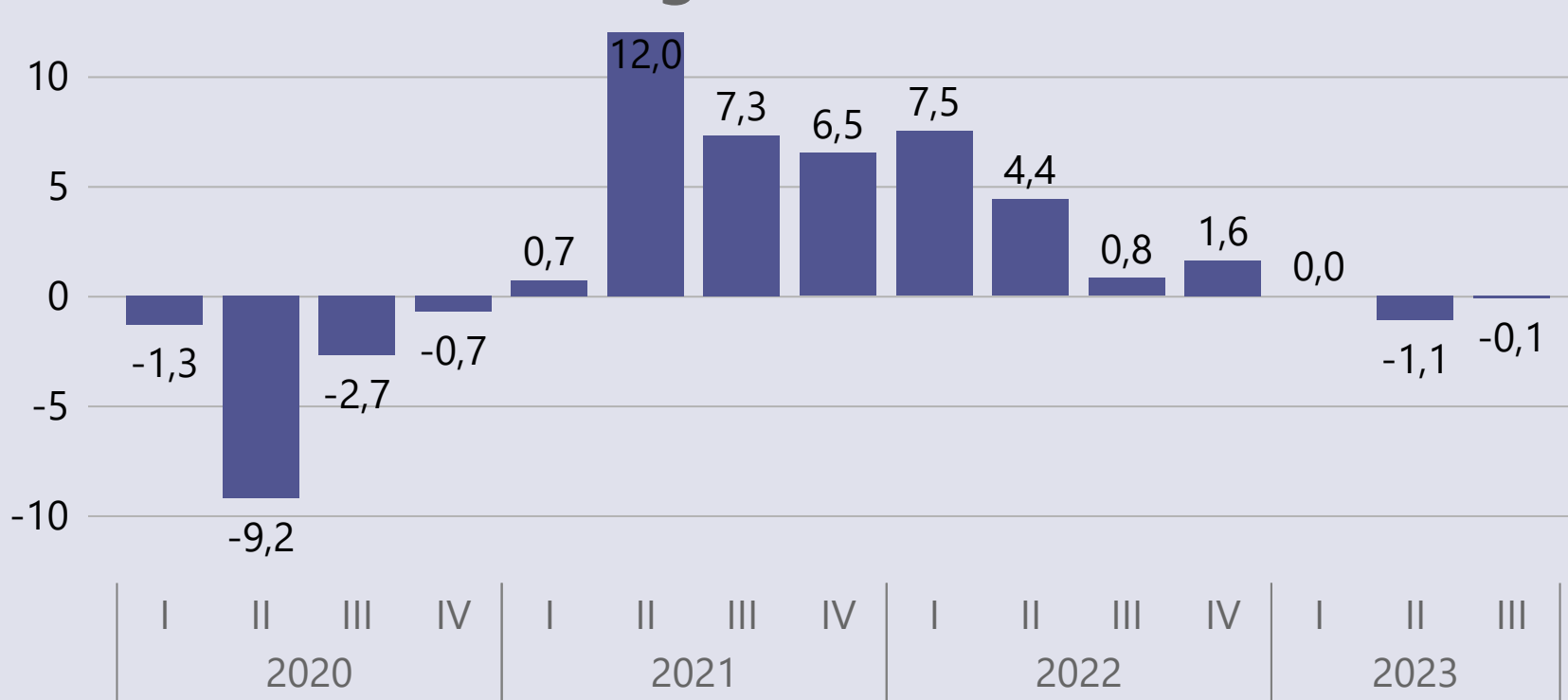
CSB, 29.09.2023.

GDP growth 2023

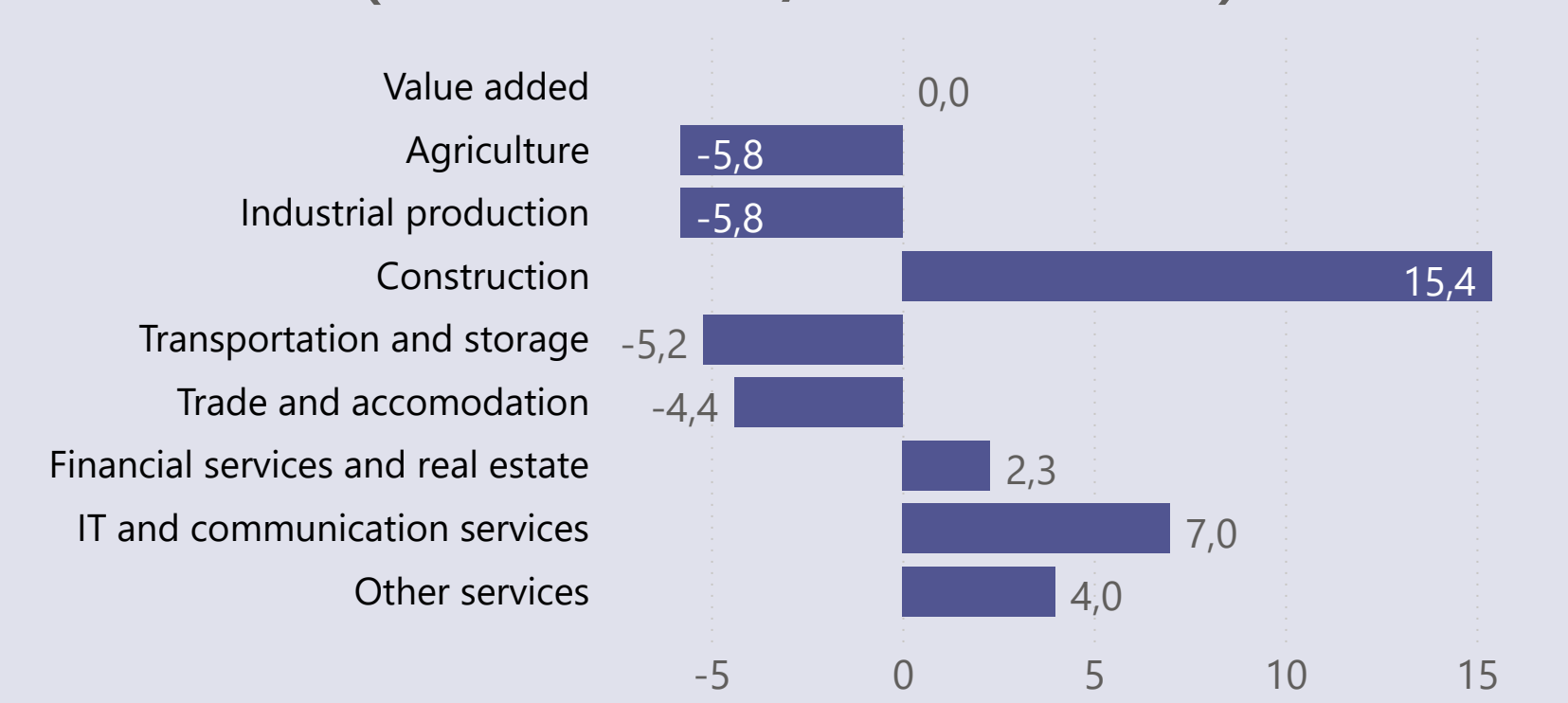
1.0%

MoF forecast, June 2023

GDP growth, YoY%

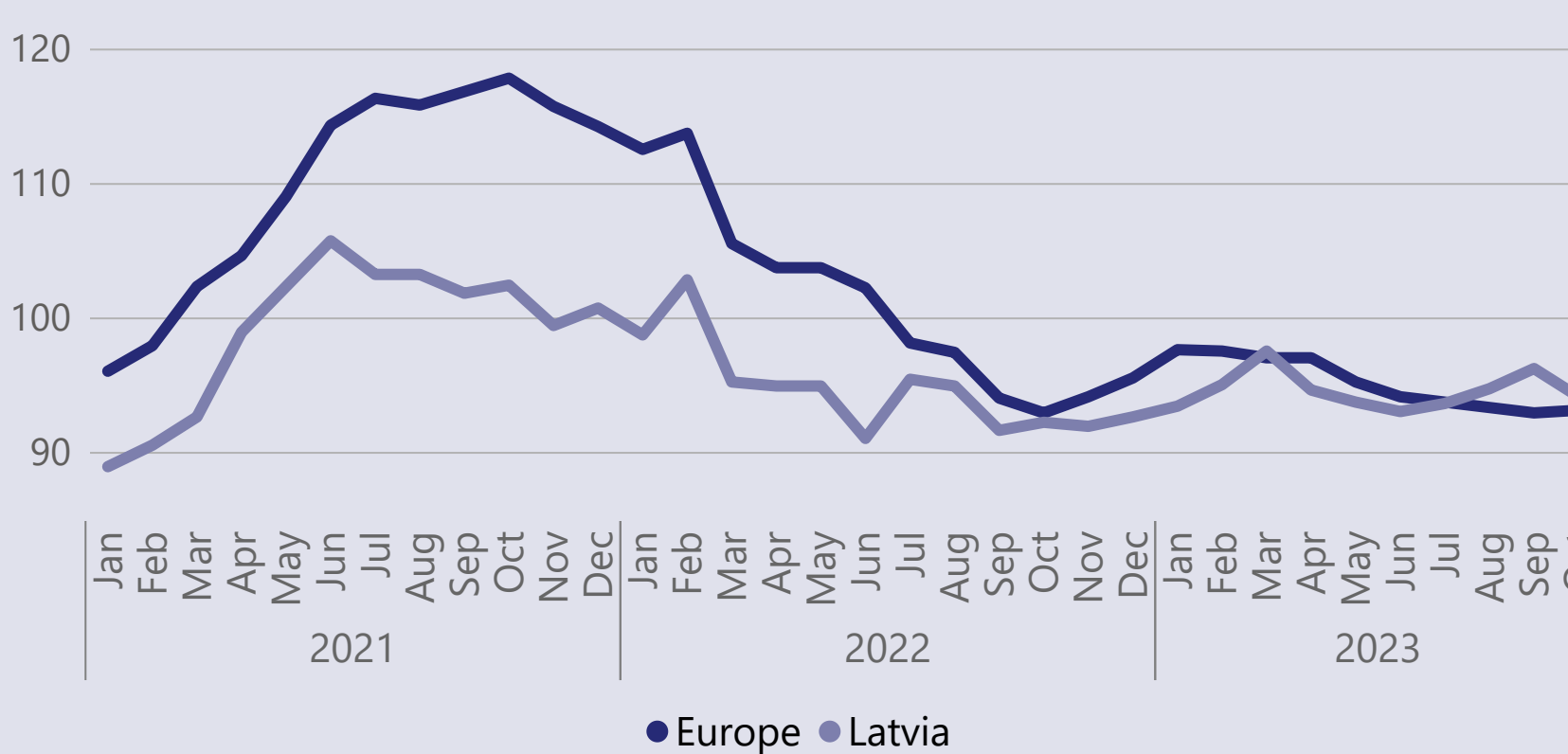


GDP growth by sectoral breakdown (2023 1st half/2022 1st half)



Source: Central Statistical Bureau(CSB); comparable prices; 3rd Q early assessment

Economic confidence



Source: European Commission;

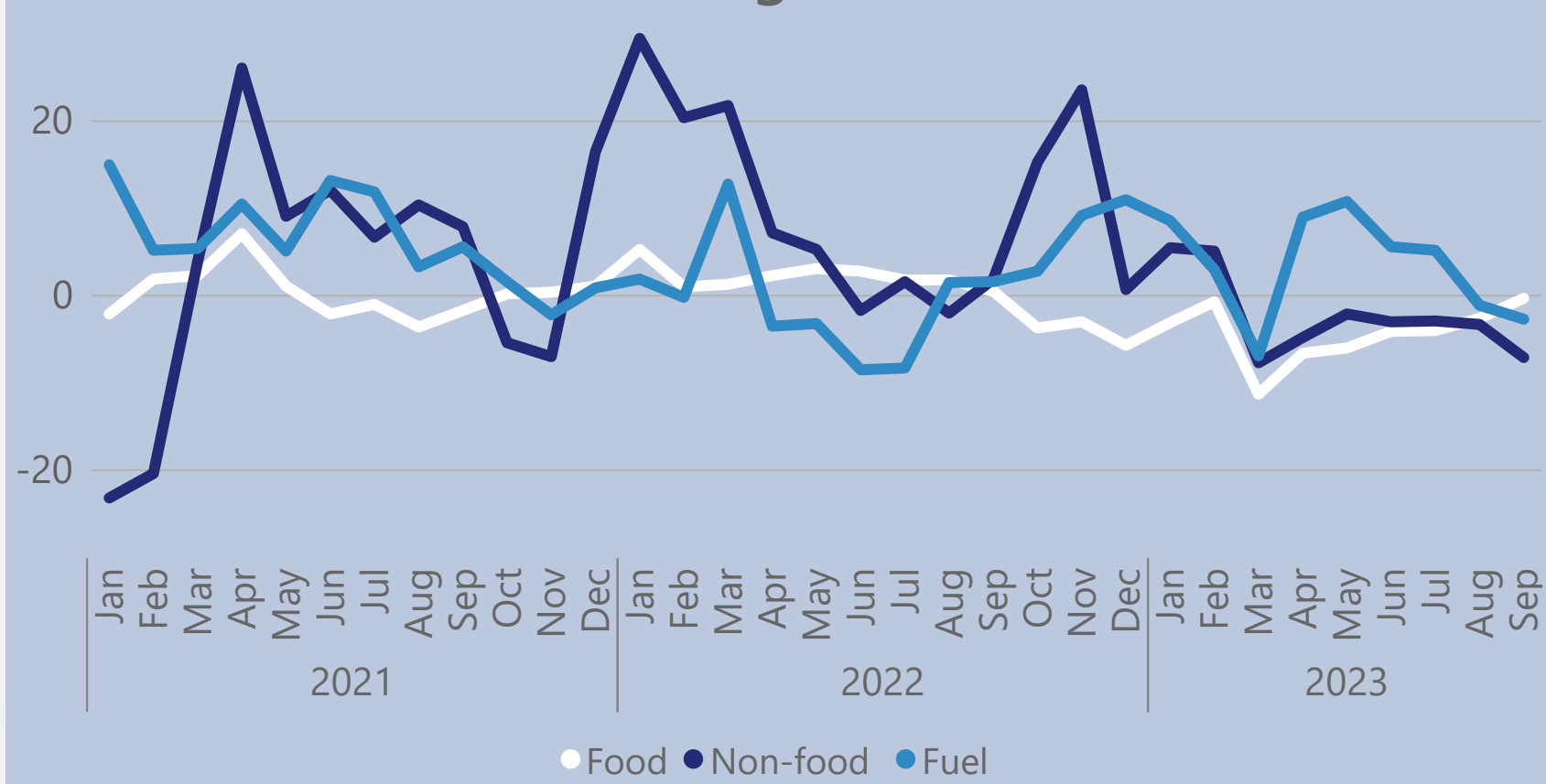
MAIN MACROECONOMIC INDICATORS

Indicator	2017	2018	2019	2020	2021	2022	2023*	2024*	2025*	2026*
Nominal GDP growth, %	6,4	8	4,9	-1,5	10,8	16,6	11	5,5	6,2	5,8
Real GDP growth, %	3,3	4	0,6	-3,5	6,7	3,4	1	2,5	2,9	2,9
GDP deflator, % change	2,9	3,9	4,3	2,1	3,8	12,8	9,9	2,9	3,2	2,8
Consumer price index, % change	2,9	2,5	2,8	0,2	3,3	17,3	10	2,2	2,5	2,3
Average monthly gross wage, EUR	926	1004	1076	1143	1277	1373	1524	1638	1720	1806
nominal growth, %	7,8	8,4	7,2	6,2	11,7	7,5	11	7,5	5	5
real growth, %	4,7	5,7	4,2	6	8,2	-8,4	0,9	5,2	2,4	2,6
Number of persons employed, thsd	894	909	910	893	864	886	887	887	884	879
growth, %	0,2	1,6	0,1	-1,9	-3,2	2,6	0,1	0	-0,3	-0,6
Unemployment rate, %	8,7	7,4	6,3	8,1	7,6	6,9	6,5	6,6	6,4	6,4

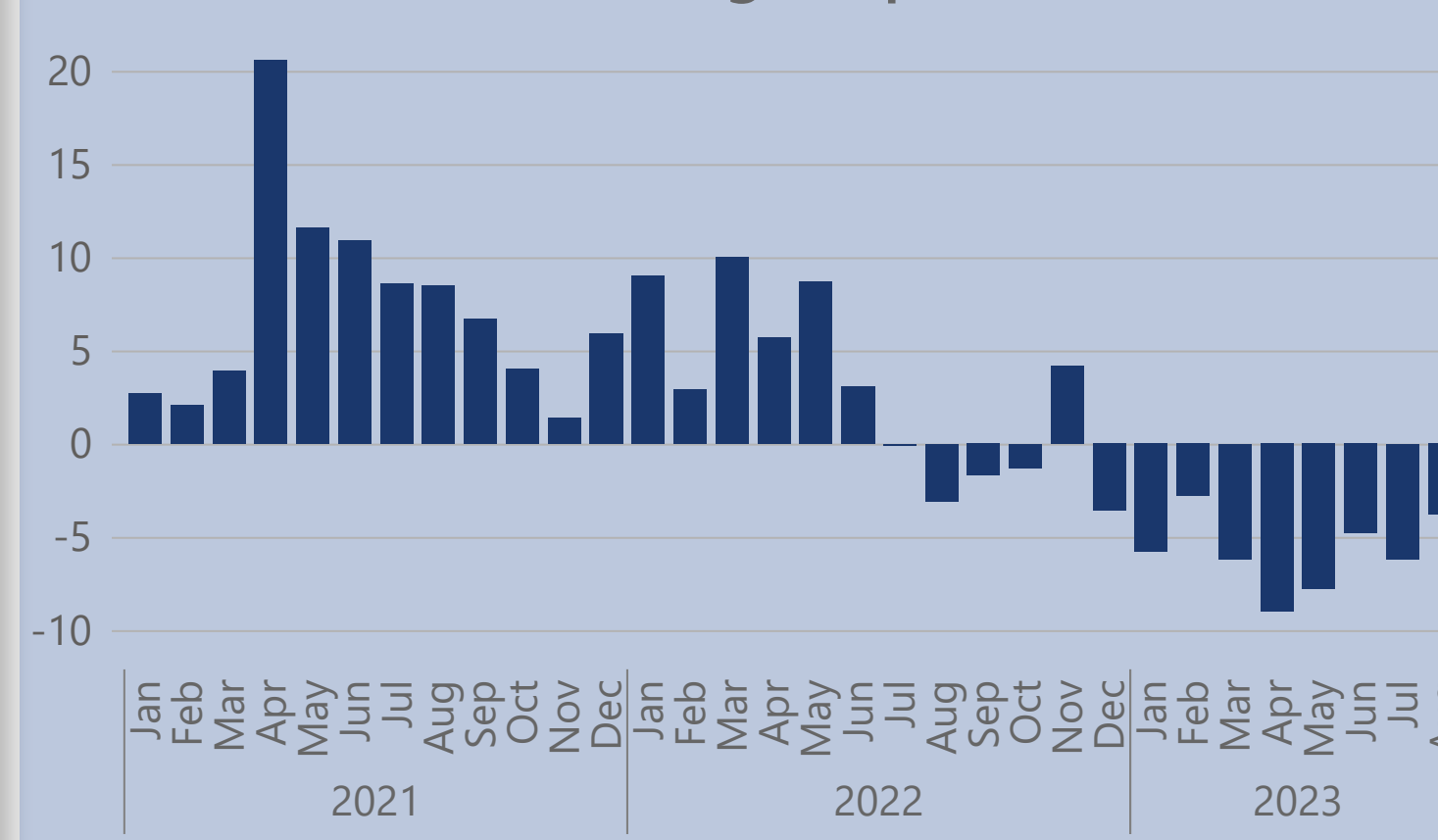
Source: CSB (29.09.2023), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2023)

INDUSTRIES

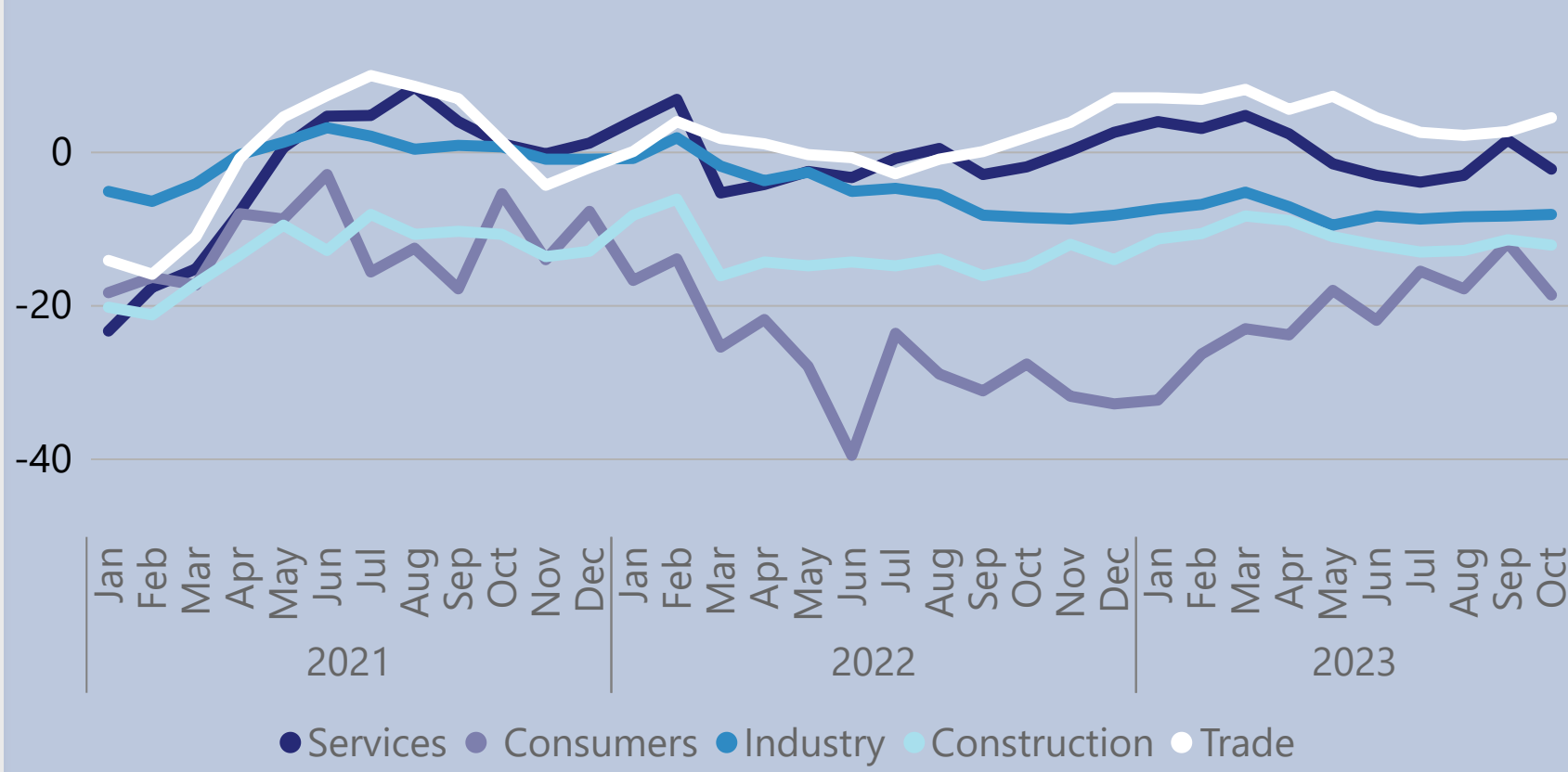
Retail trade growth, YoY%



Manufacturing output, YoY%

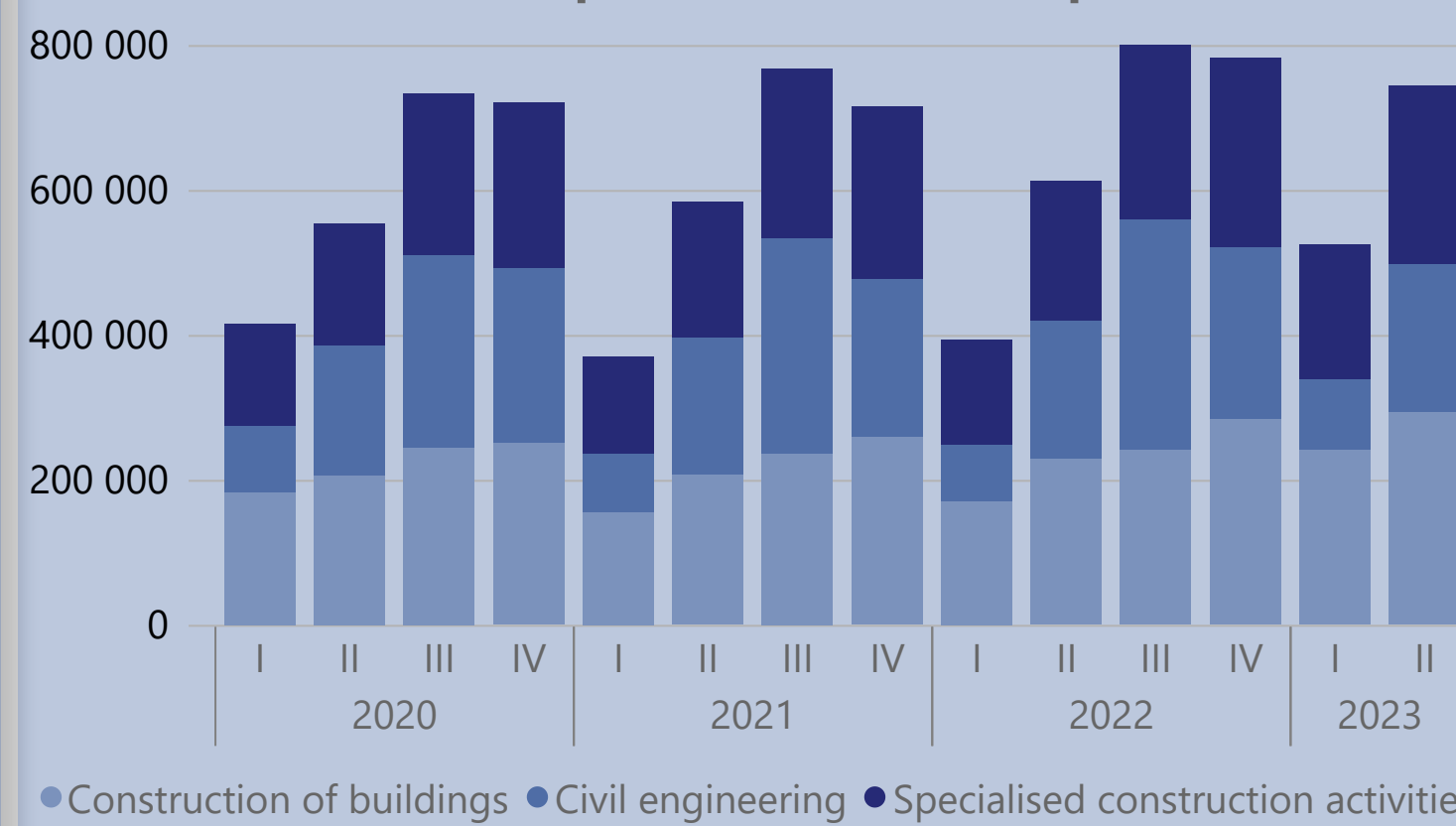


ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



INFLATION

Inflation

3.3%

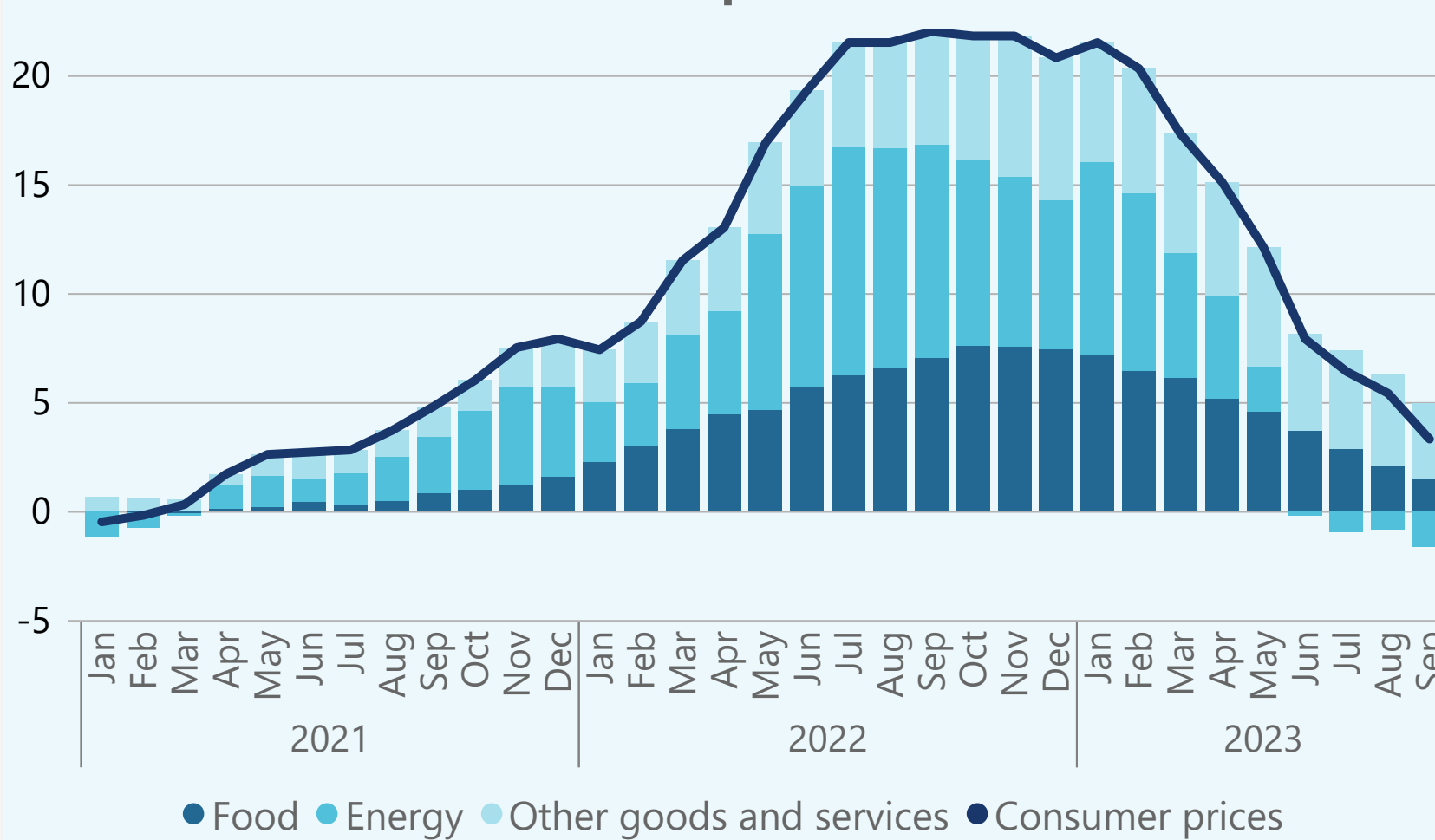
September 2023

Producer price rise

-7.7%

September 2023

Consumer prices, YoY%



UNEMPLOYMENT

Registered

5.3%

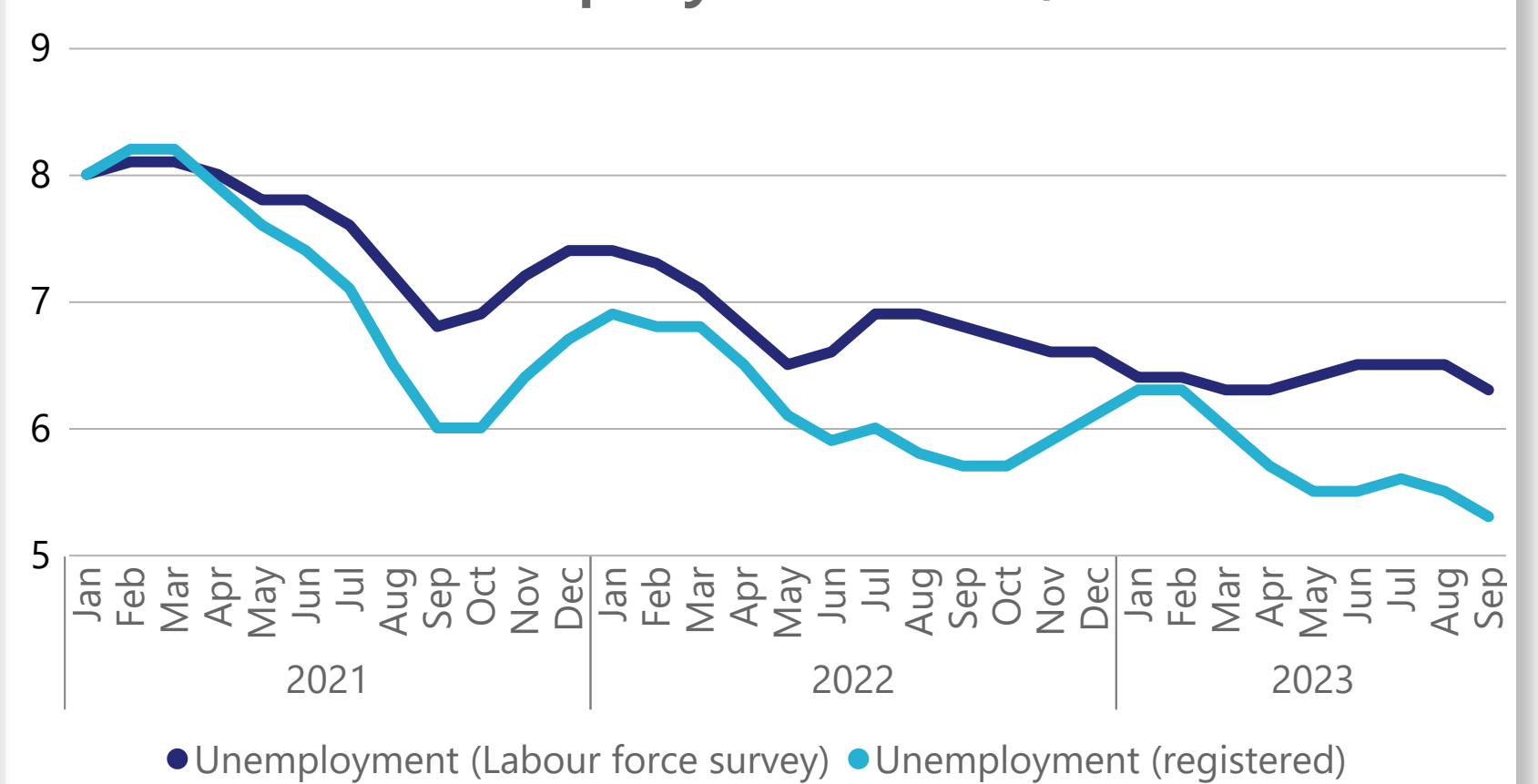
September 2023

Labour force survey

6.3%

September 2023

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 519€
(+11.9% YoY)
2Q 2023

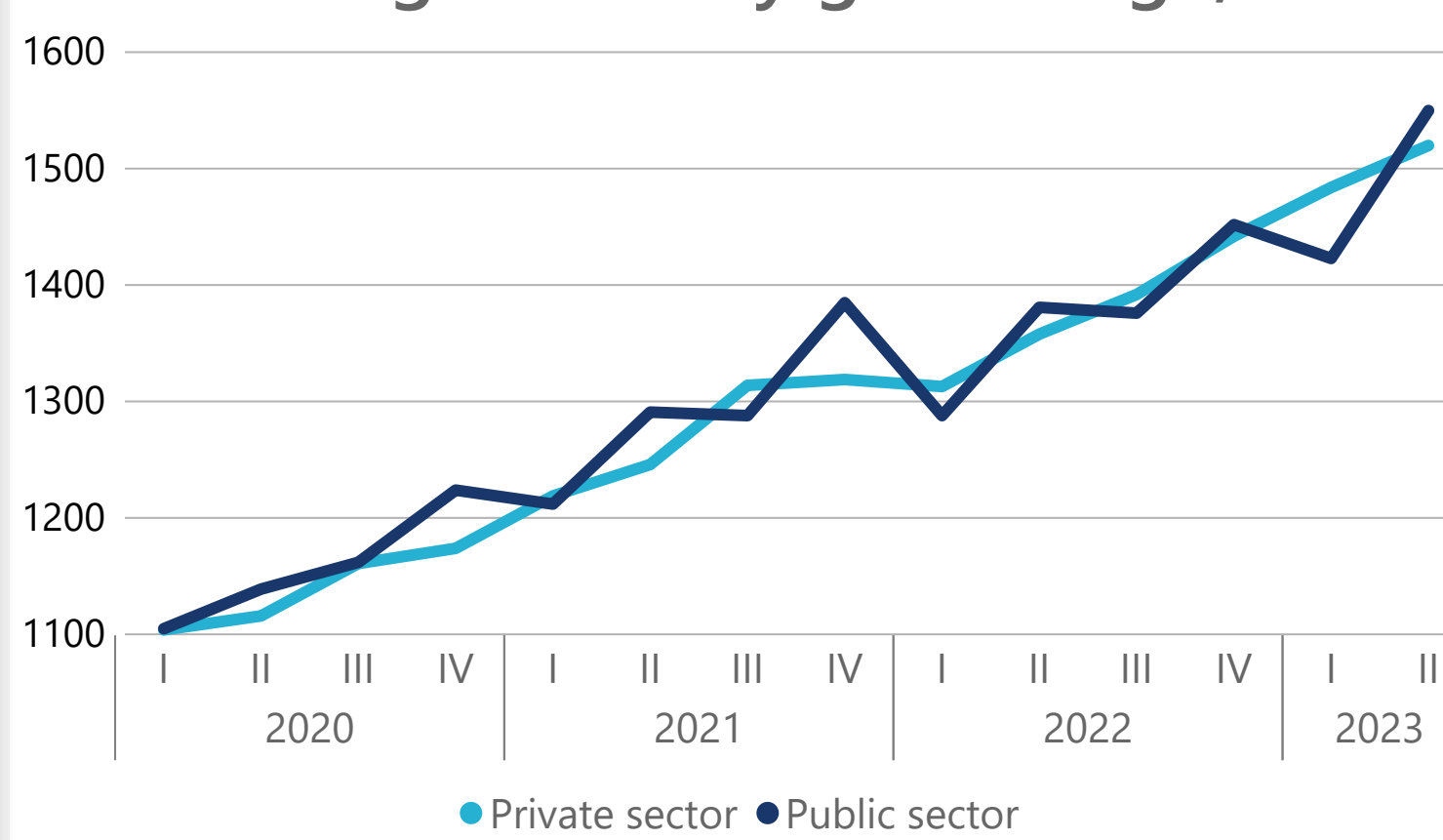
Public sector

1 549€
(+12.2% YoY)
2Q 2023

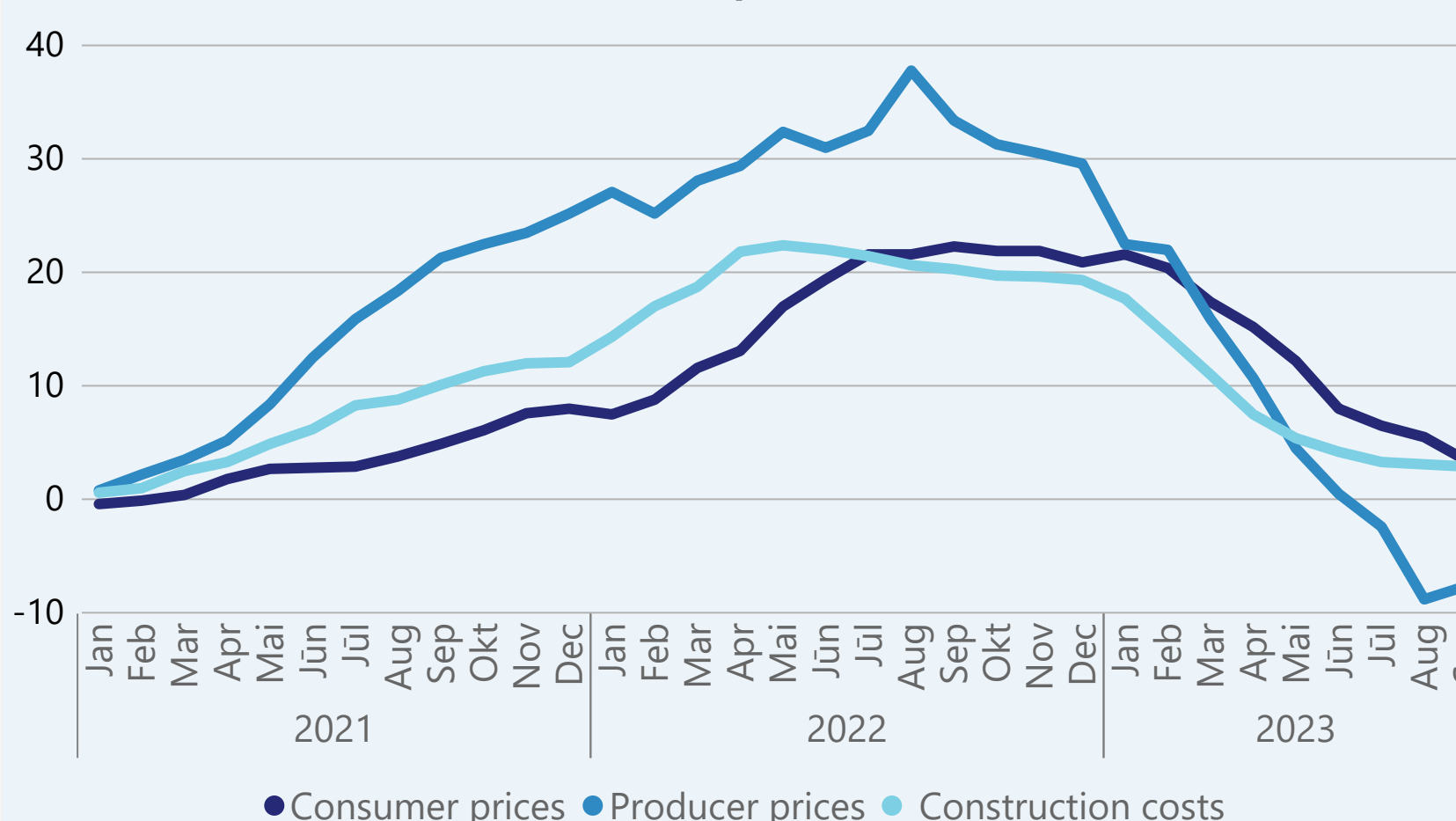
Total

1 525€
(+12% YoY)
2Q 2023

Average monthly gross wage, €



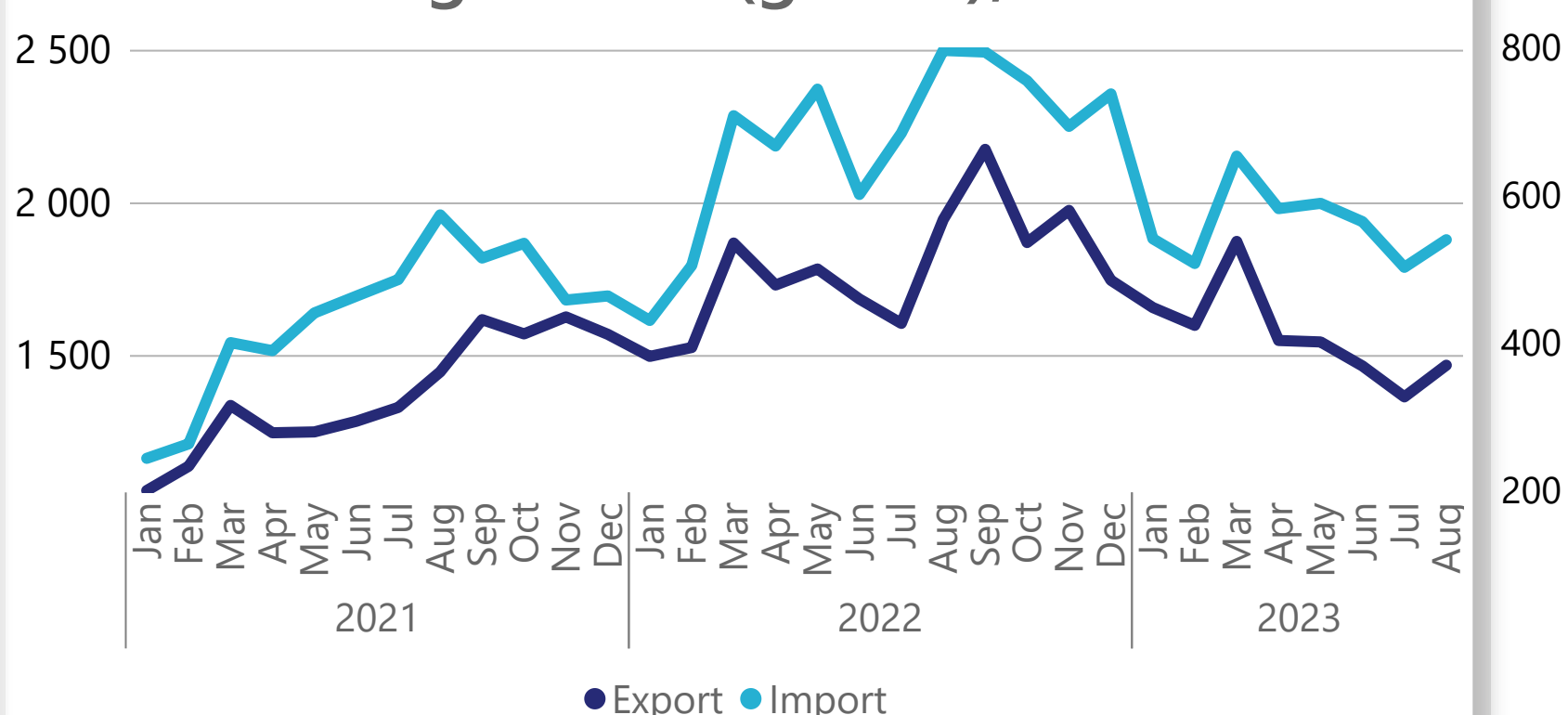
Prices, YoY%



Source: CSB

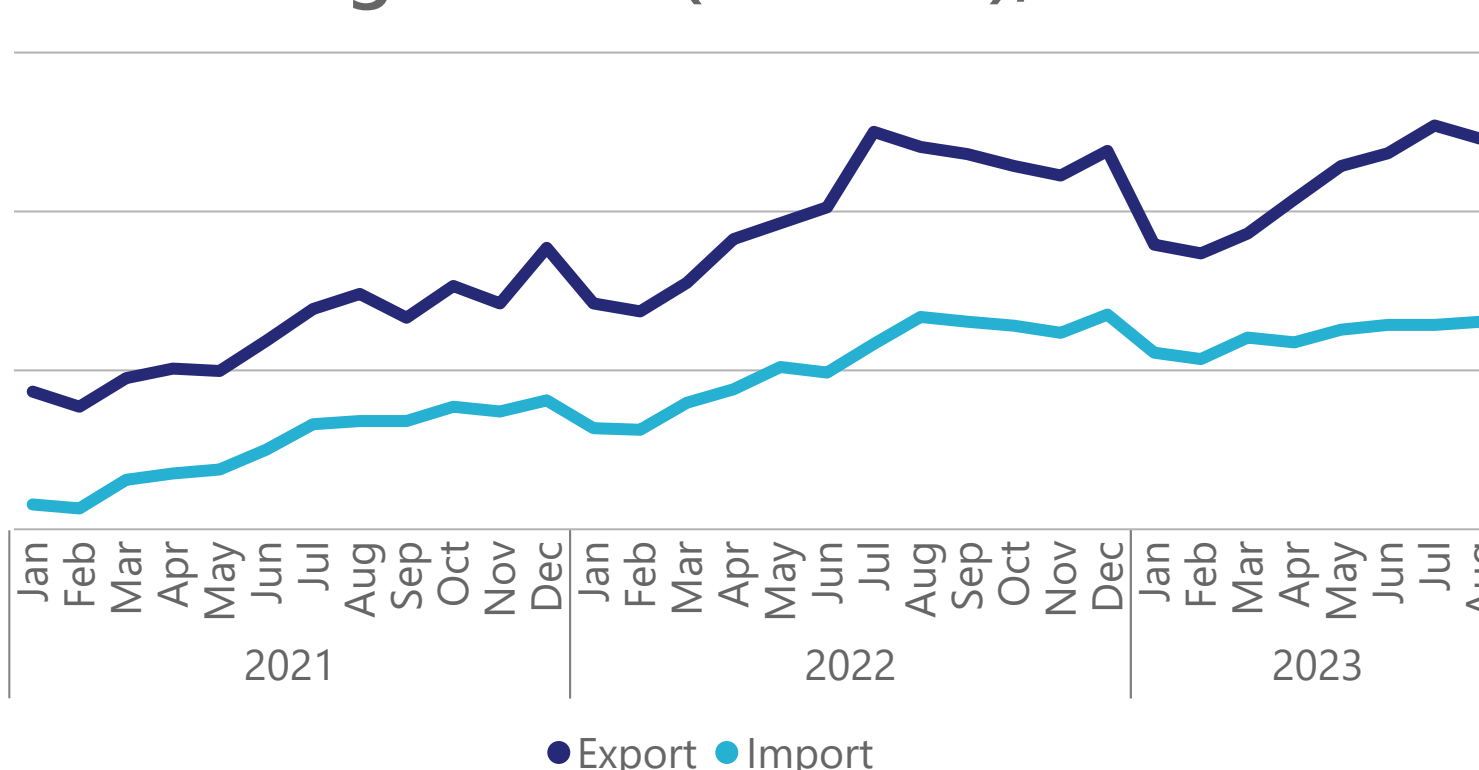
FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB; Bank of Latvia

Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2023

-2.7% of GDP

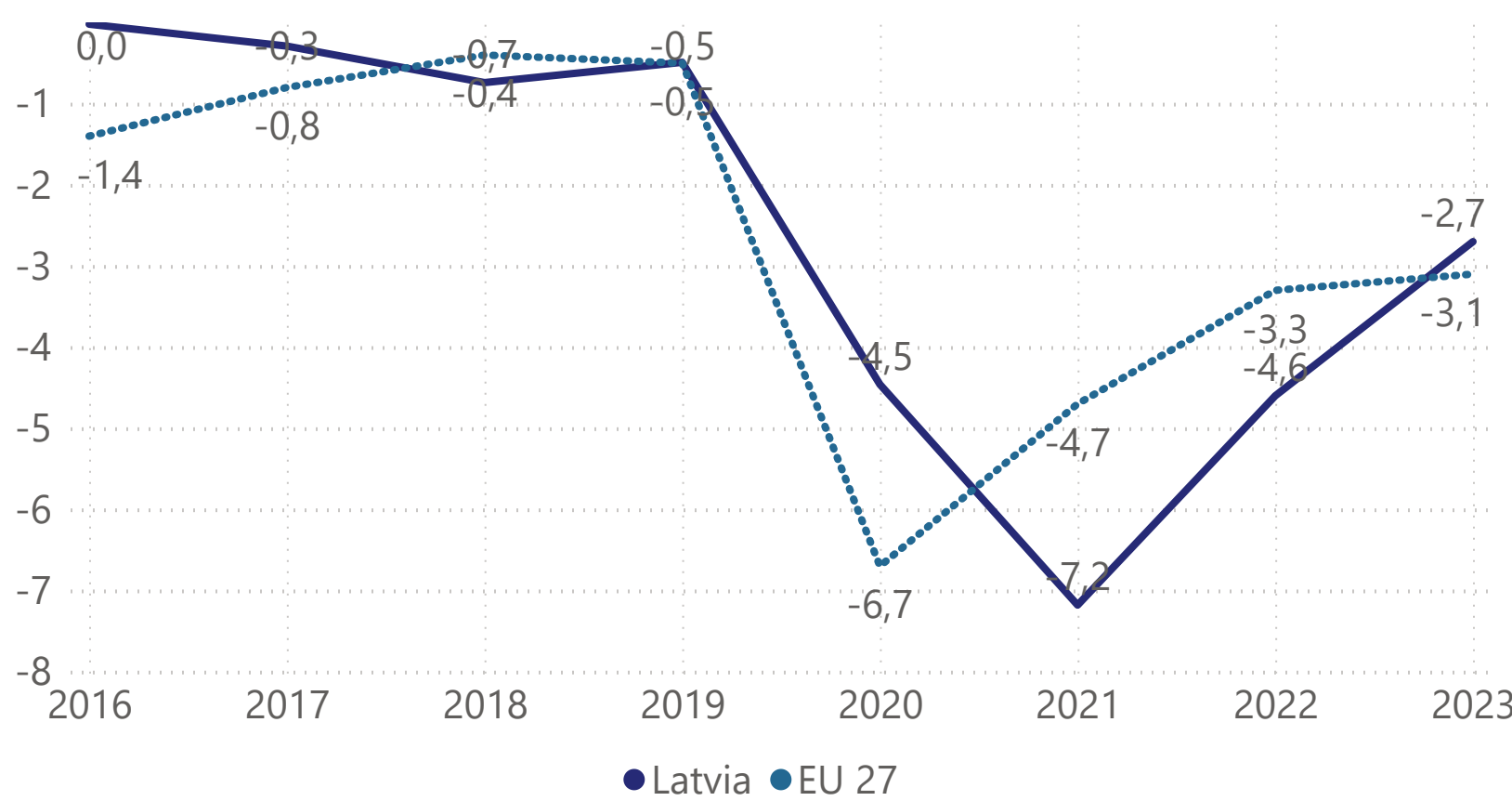
Forecast of MoF, October 2023

General government debt 2023

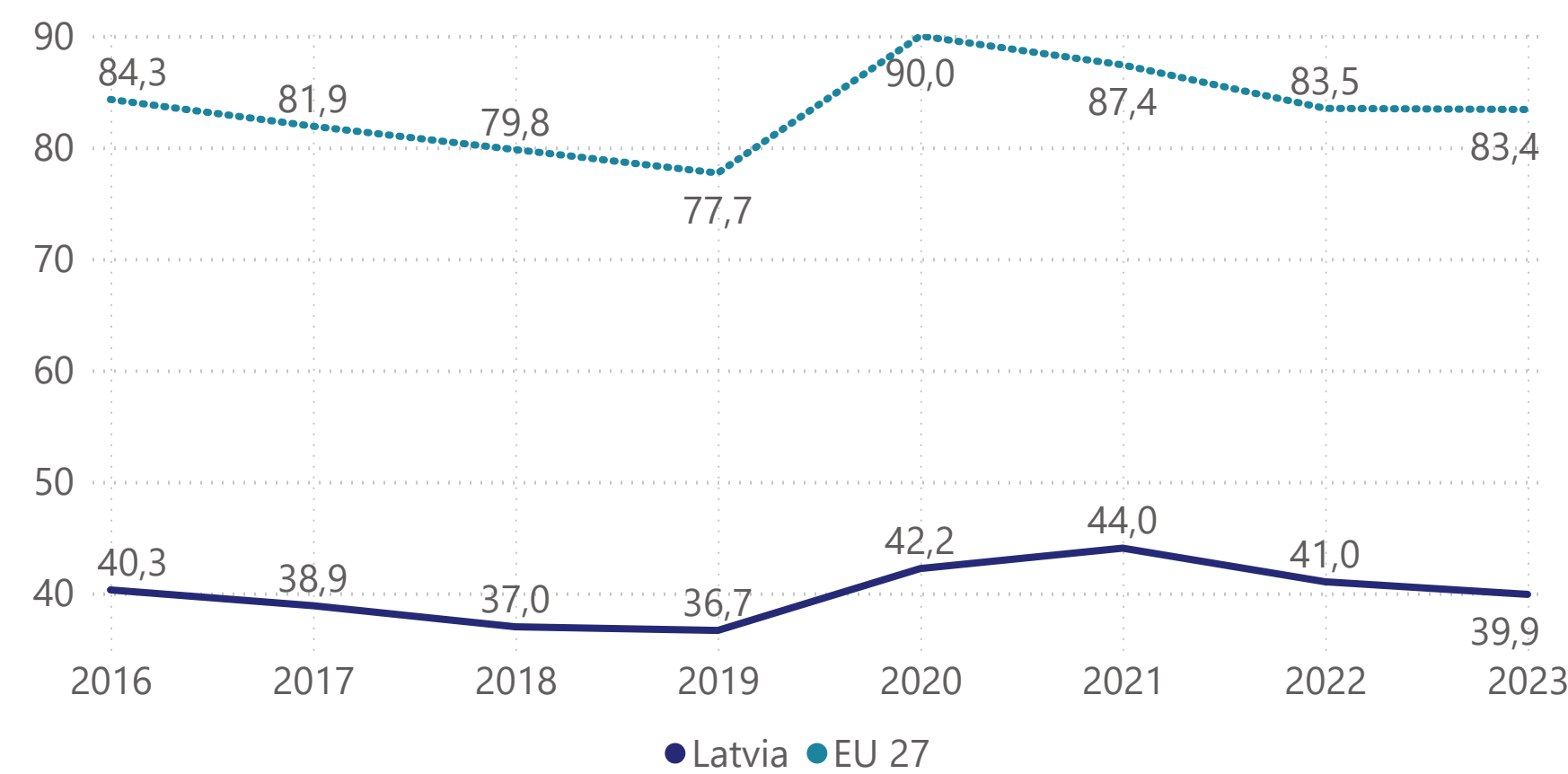
39.9% of GDP

Forecast of State Treasury, October 2023

General government budget balance, % of GDP



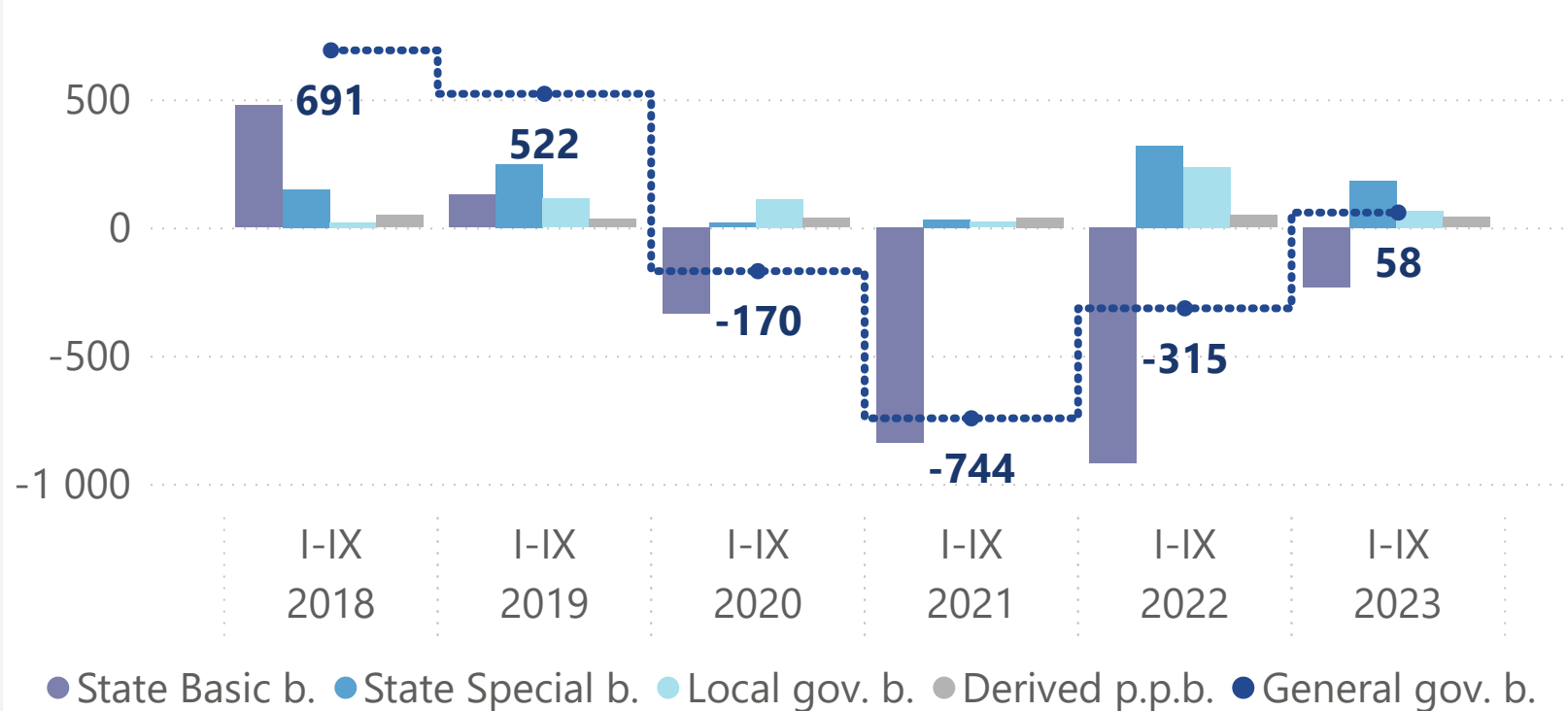
General government debt, % of GDP



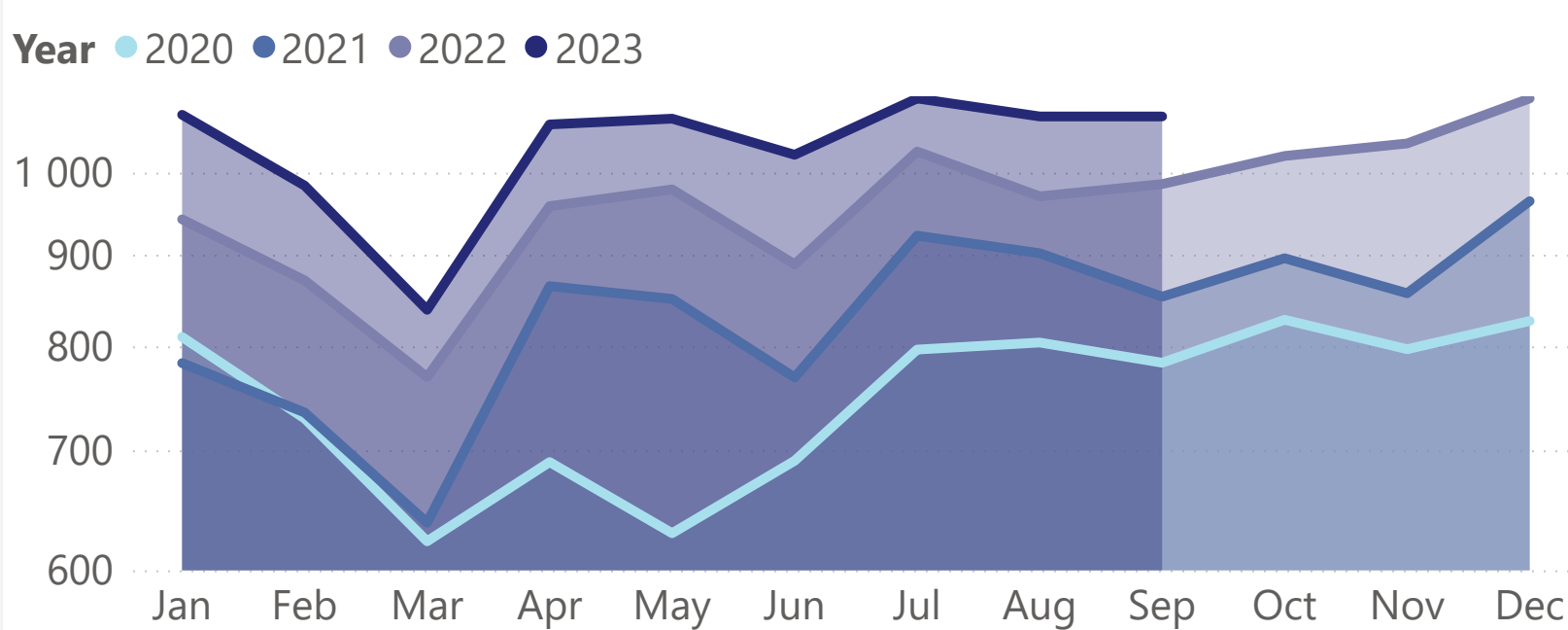
Source: Eurostat, Ministry of Finance, AMECO Spring Forecast 2023.

GENERAL GOVERNMENT BUDGET IN JANUARY-SEPTEMBER 2023 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: Treasury.

General government budget tax revenue in January-September 2023 including revenue in the single tax account -180.3 mln € and not included SSC revenues in 2nd pension tier 571.3 mln €.

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 619,5	1 315,9	12,8%
Expenditure	11 561,1	942,4	8,9%
Balance	58,5	373,6	

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 619,5	1 315,9	12,8%
Expenditure	11 561,1	942,4	8,9%
Balance	58,5	373,6	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	3 017,5	269,6	9,8%
VAT	2 912,2	389,2	15,4%
PIT	1 805,3	160,1	9,7%
EXCISE	881,3	28,8	3,4%
CIT	454,2	157,4	53,0%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Expenditure			

Revenue

Tax revenue	9 316,3	926,4	11,0%
Non tax revenue	858,3	171,3	24,9%
Foreign financial assistance	1 064,3	161,9	17,9%
Self-earned revenue	379,0	55,9	17,3%

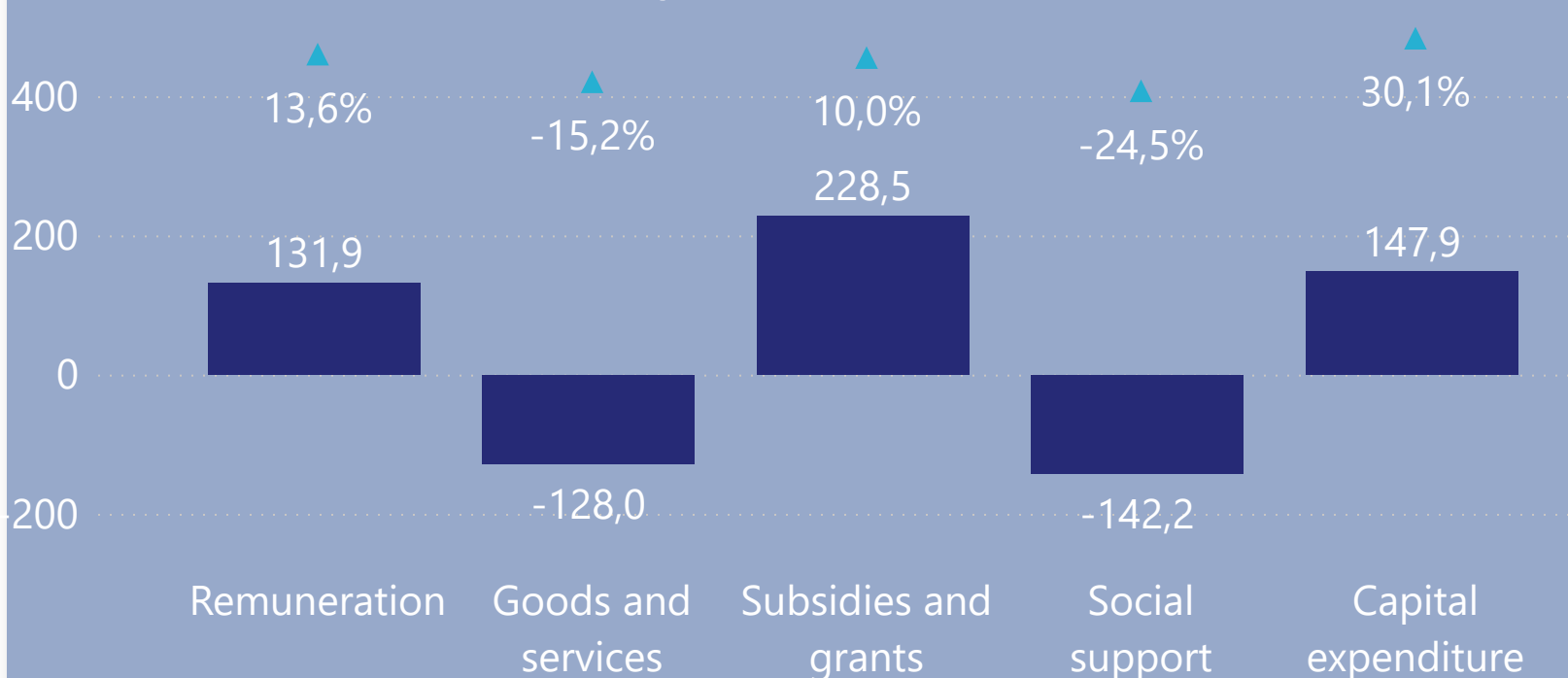
Expenditure

Remuneration	2 500,1	328,4	15,1%
Subsidies and grants	2 715,4	250,3	10,2%
Social support	3 583,1	241,4	7,2%
Capital expenditure	841,9	142,4	20,4%
Interest payments	187,0	32,5	21,0%
Goods and services	1 415,2	-27,3	-1,9%
Payments to EU budget	266,8	-34,9	-11,6%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	6 774,4	925,7	15,8%
Expenditure	7 005,9	238,0	3,5%
Balance	-231,5	687,7	

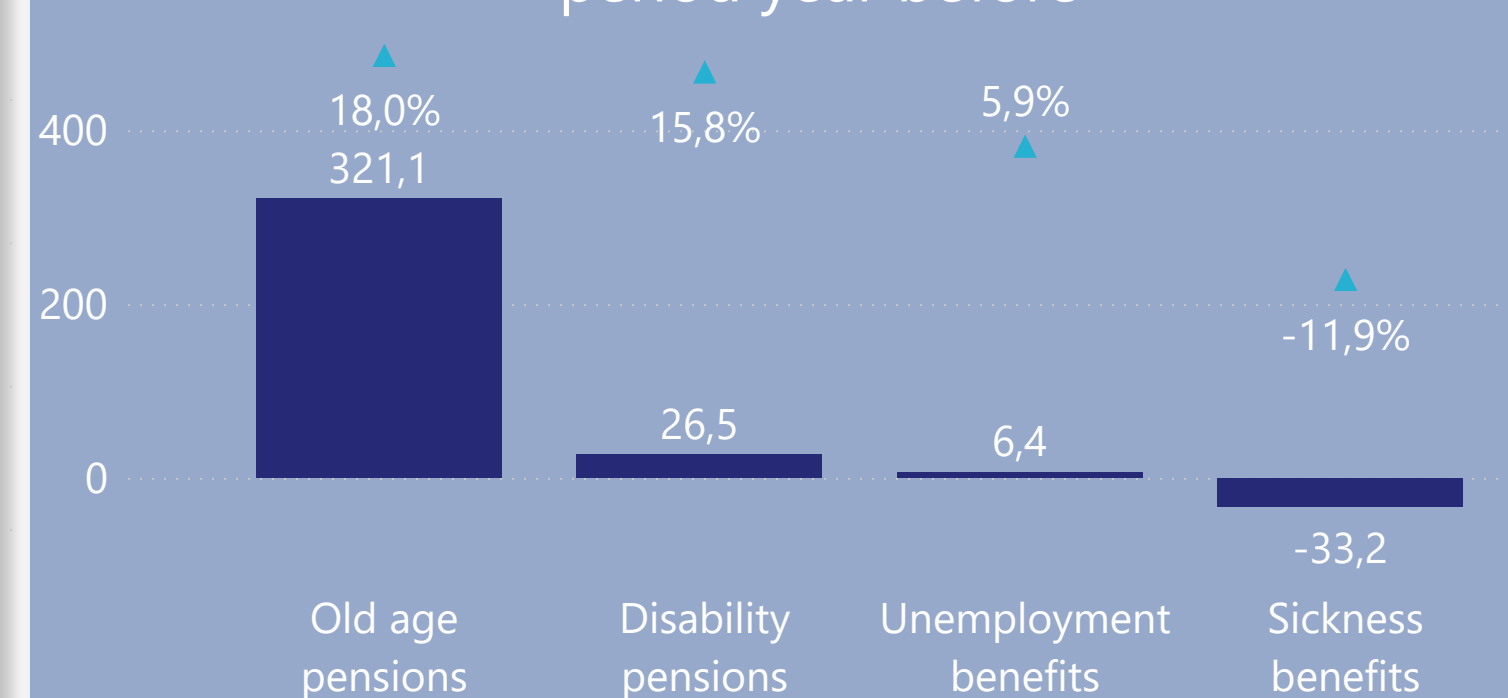
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 170,0	212,7	7,2%
Expenditure	2 986,0	348,9	13,2%
Balance	184,0	-136,1	

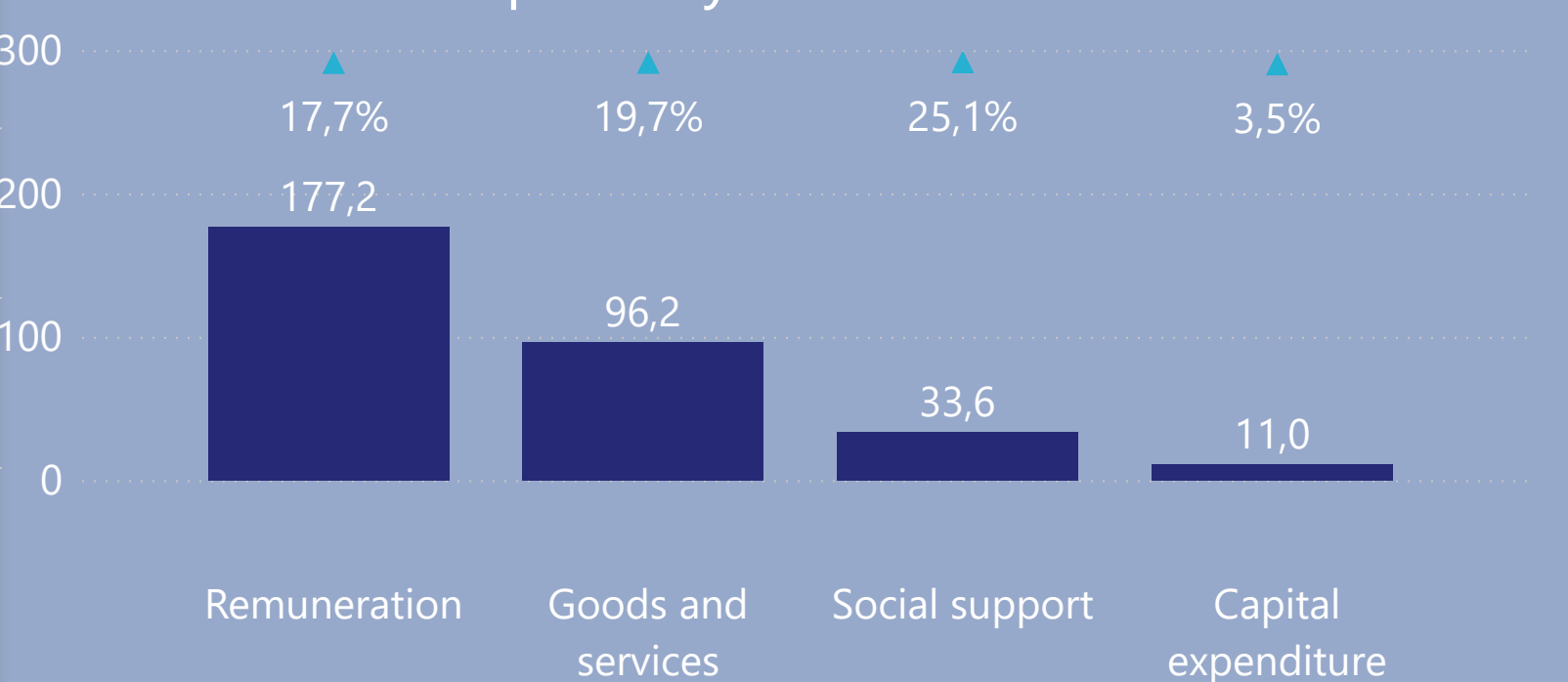
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 570,1	192,8	8,1%
Expenditure	2 504,7	364,0	17,0%
Balance	65,4	-171,2	

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

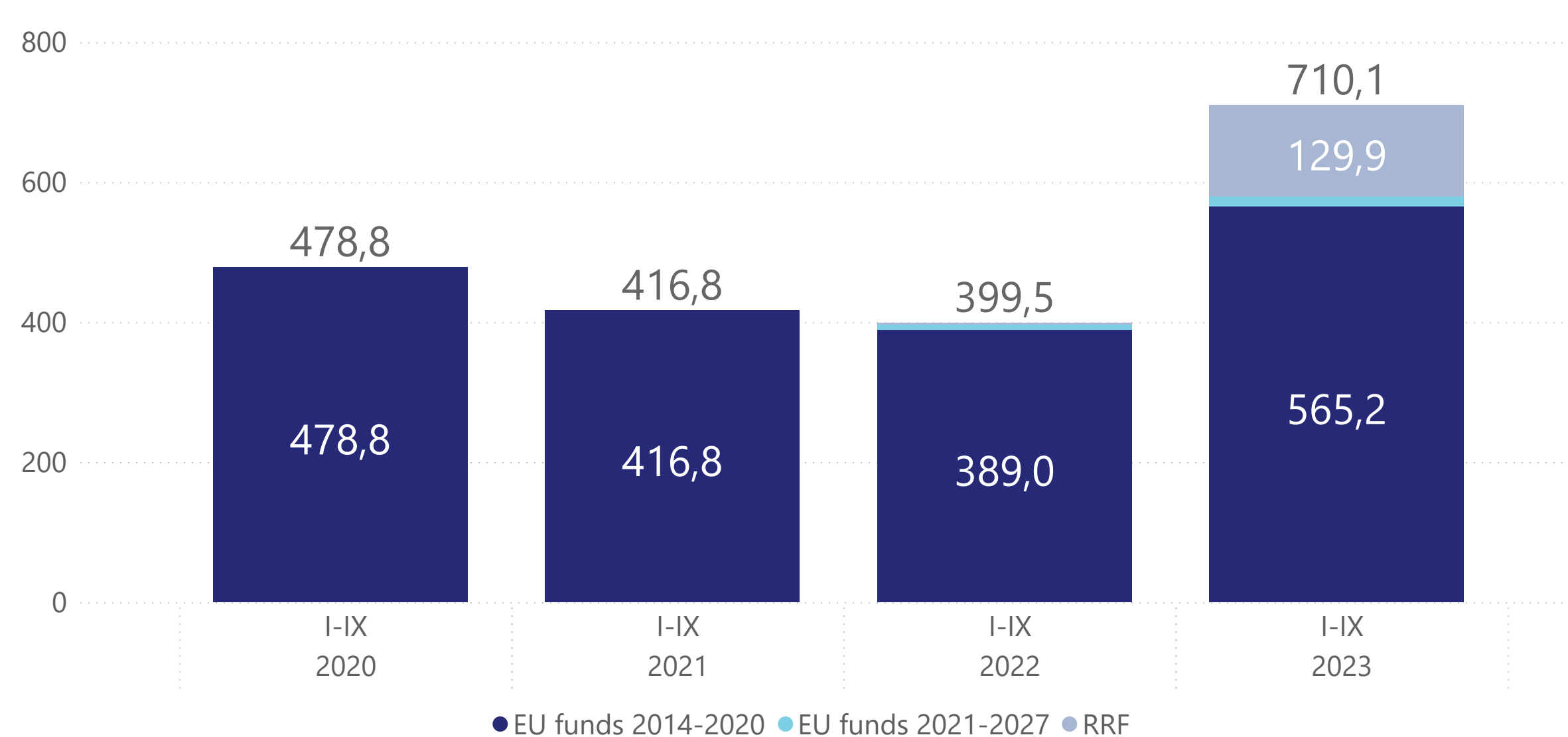
CRISIS SUPPORT MEASURES

Total support and impact on general government budget balance, mln € and % of GDP

Measure	2020	2021	2022	2023*	2023**
Covid-19	1281,7	2315,1	965,9	40,7	100,8
Energy		1,9	603,5	420,9	652,0
Ukraine			81,0	47,2	102,0
Total support measures	1281,7	2317,0	1650,4	508,8	854,8
% of GDP	4,3	6,9	4,2	1,2	2,0
Impact on budget balance	-960,8	-2104,7	-1481,0	-514,7	-670,4
(% of GDP)	-3,2	-6,3	-3,8	-1,2	-1,6

EUROPEAN UNION FUNDS

Investments of EU funds, mln €



Source: *Execution according to data from the State Treasury, State Revenue Service, ALTUM, etc. till September 30, 2023.

**Plan according to the government decisions till September 26, 2023. Impact on budget balance estimate on October 16, 2023.

Source: State Treasury. Investments of EU funds, included co-financing from general government budget. EU funds - funds for implementation of Cohesion policy (European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF). RRF- Recovery and Resilience Facility plan.