

GROSS DOMESTIC PRODUCT (GDP)

GDP 2022

38 870 mln €

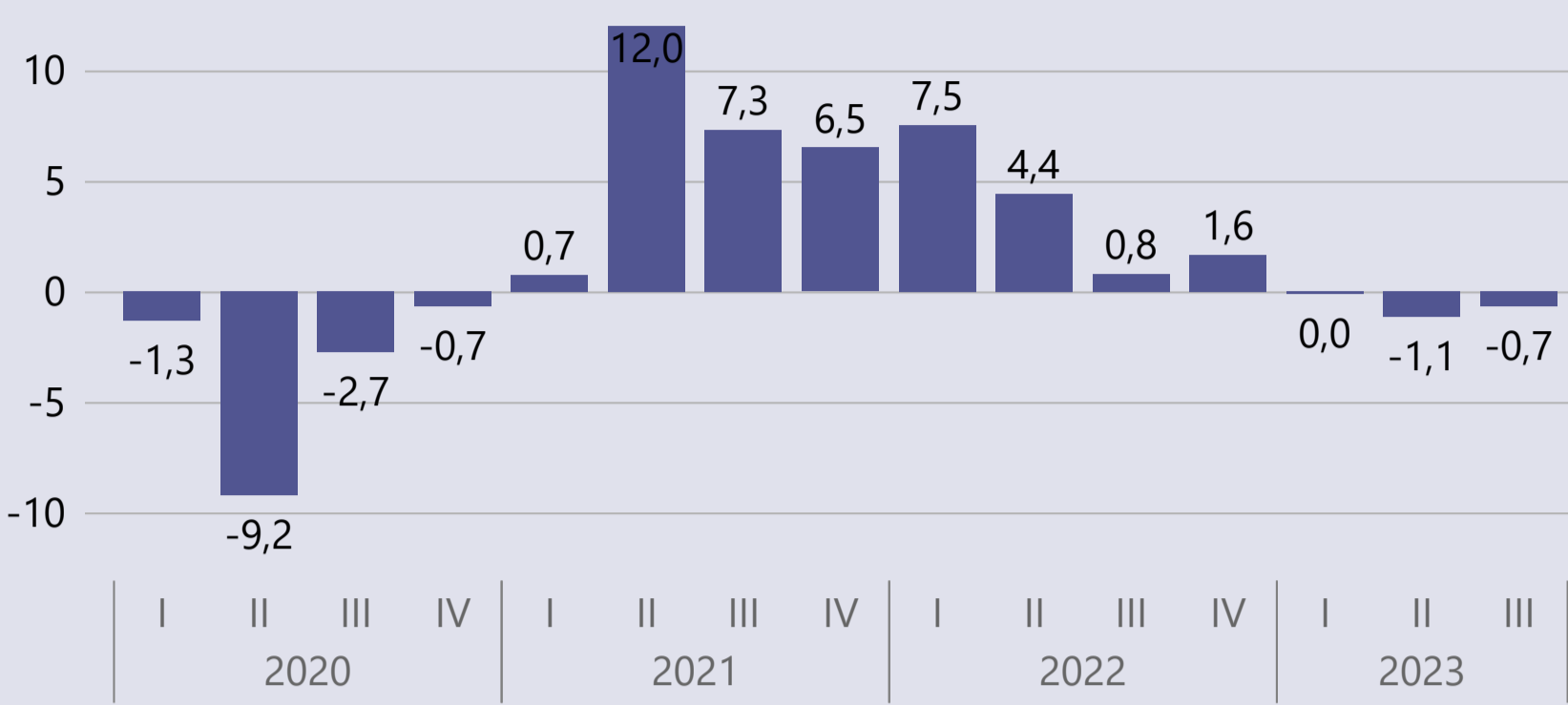
CSB, 29.09.2023.

GDP growth 2024

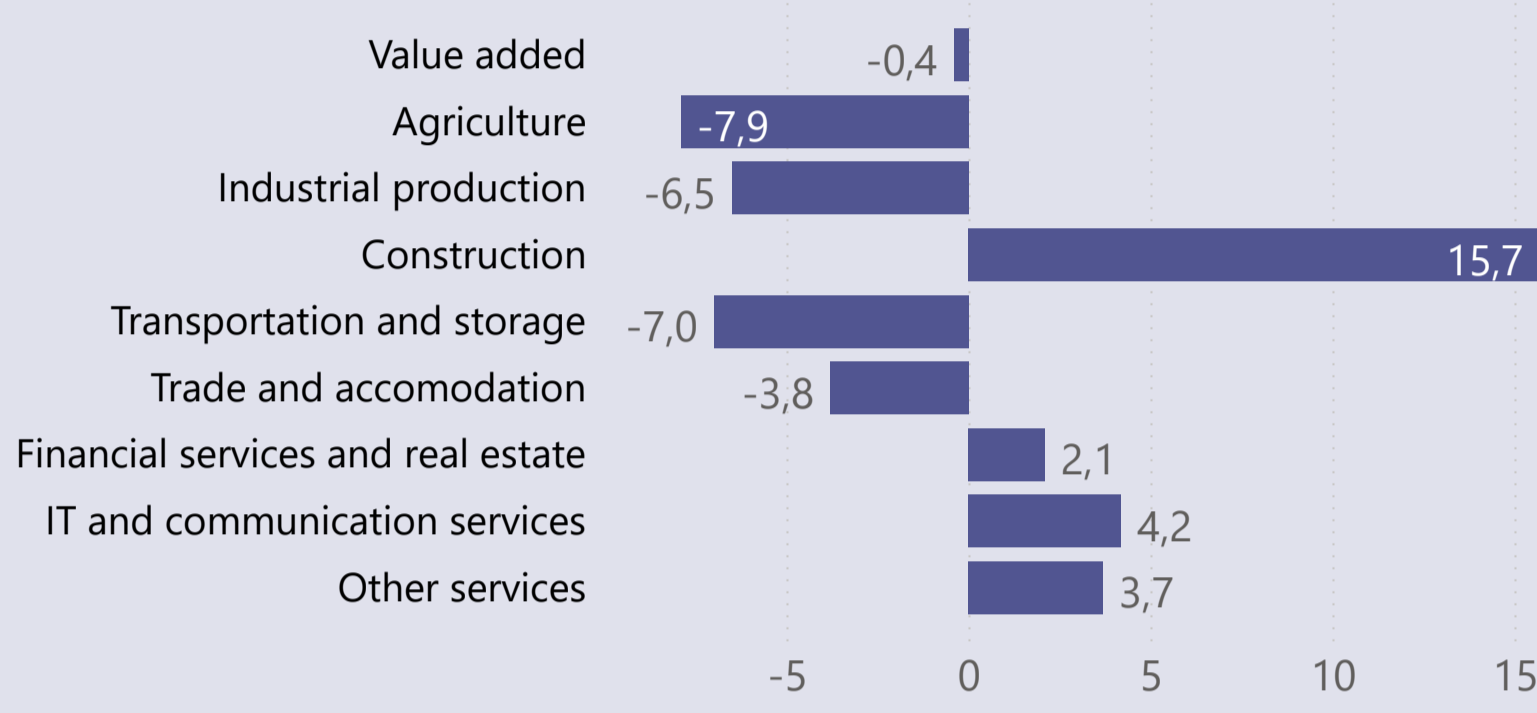
2.5%

MoF forecast, June 2023

GDP growth, YoY%

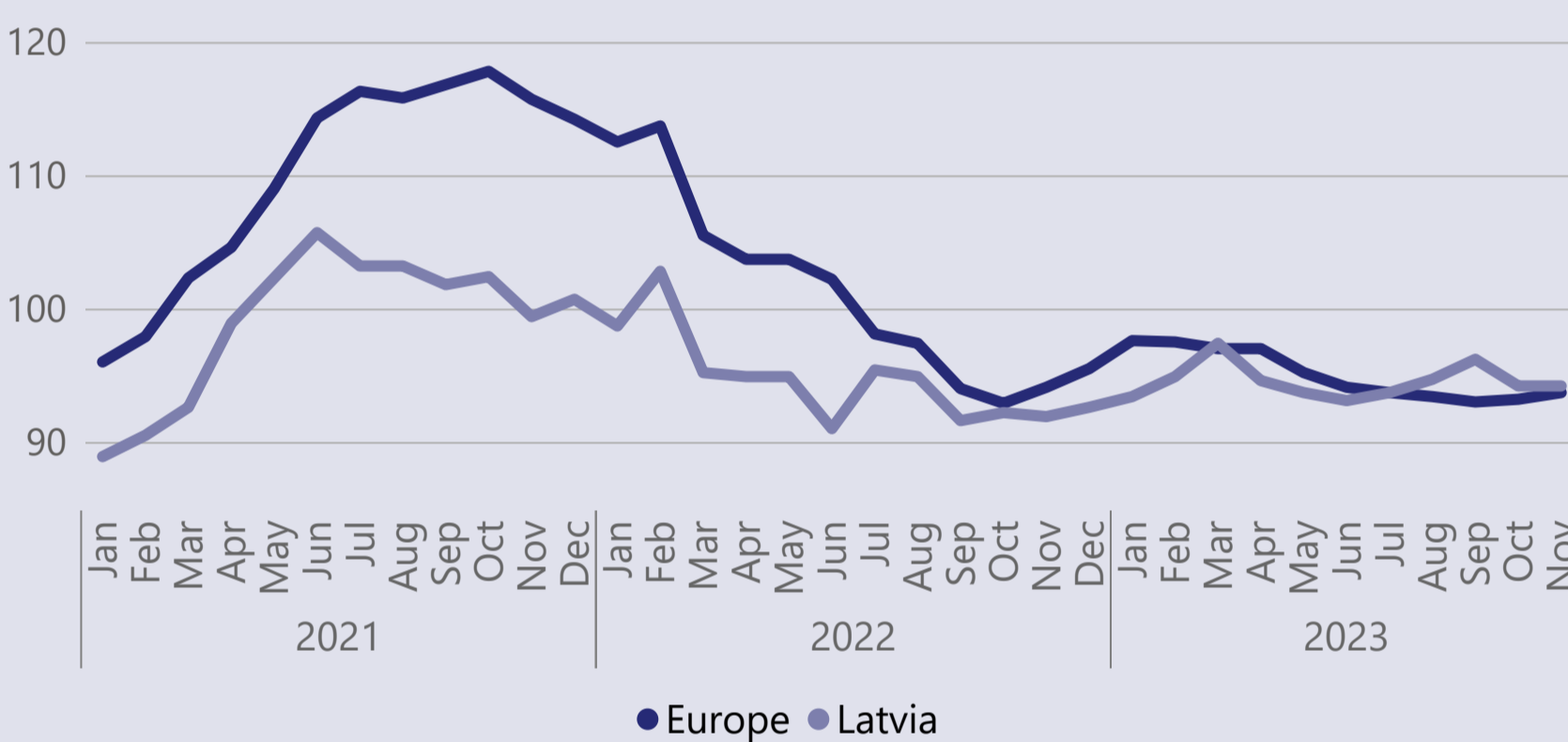


GDP growth by sectoral breakdown (2023 1-3rd Qrt/2022 1-3rd Qrt)



Source: Central Statistical Bureau(CSB); comparable prices

Economic confidence



Source: European Commission;

INFLATION

Inflation

1,0%

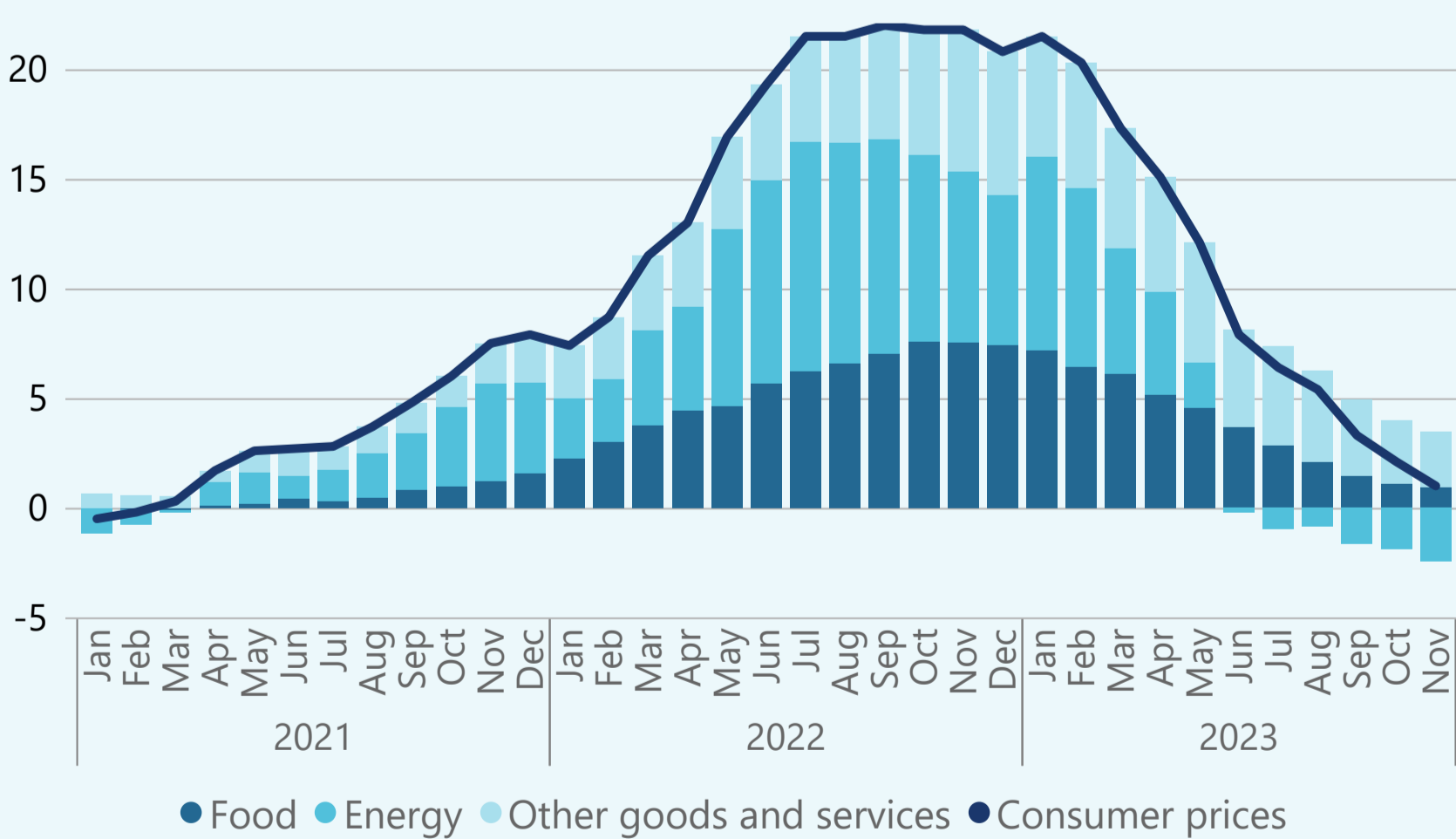
November 2023

Producer price rise

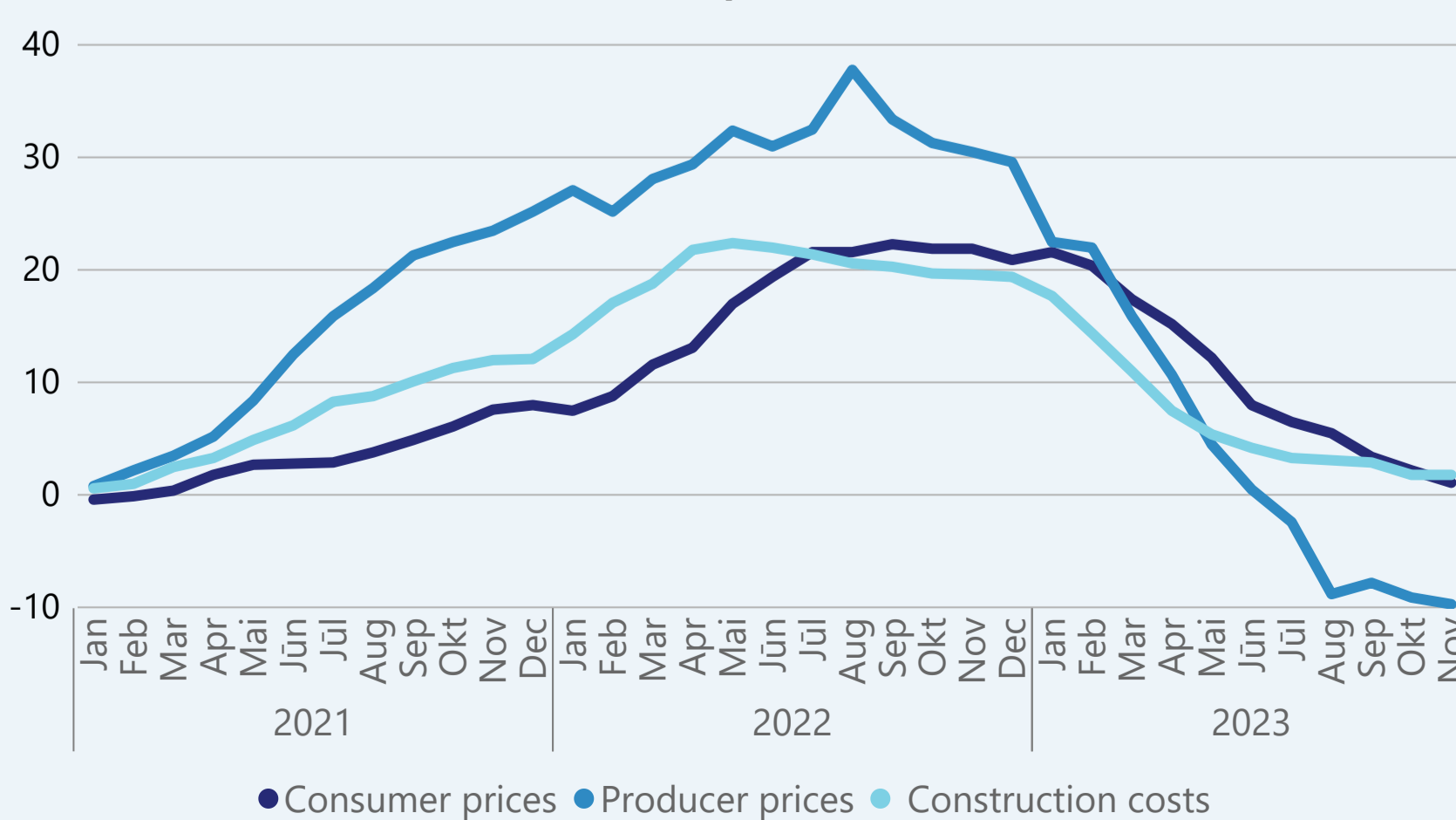
-9,8%

November 2023

Consumer prices, YoY%



Prices, YoY%



Source: CSB

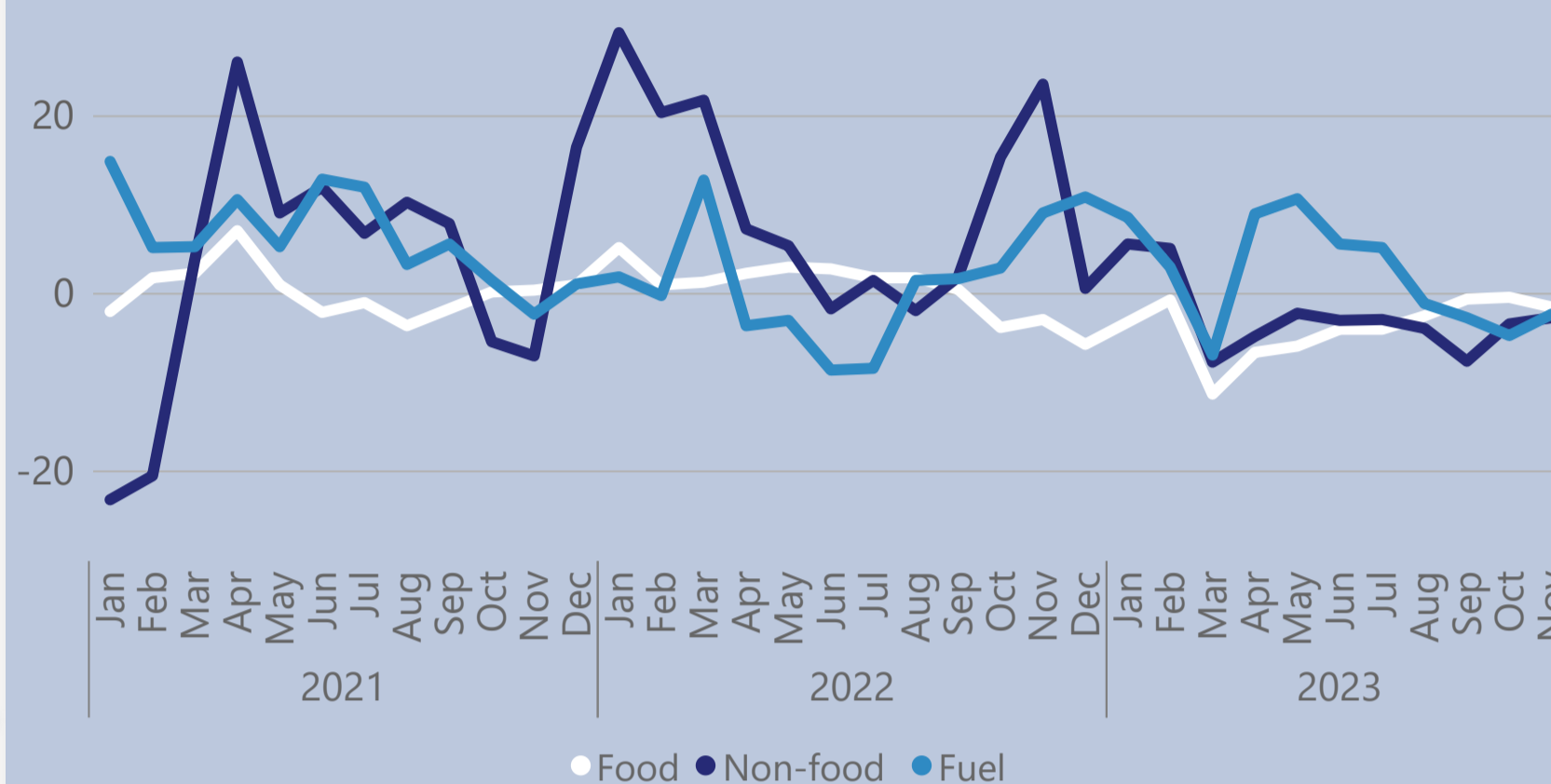
MAIN MACROECONOMIC INDICATORS

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

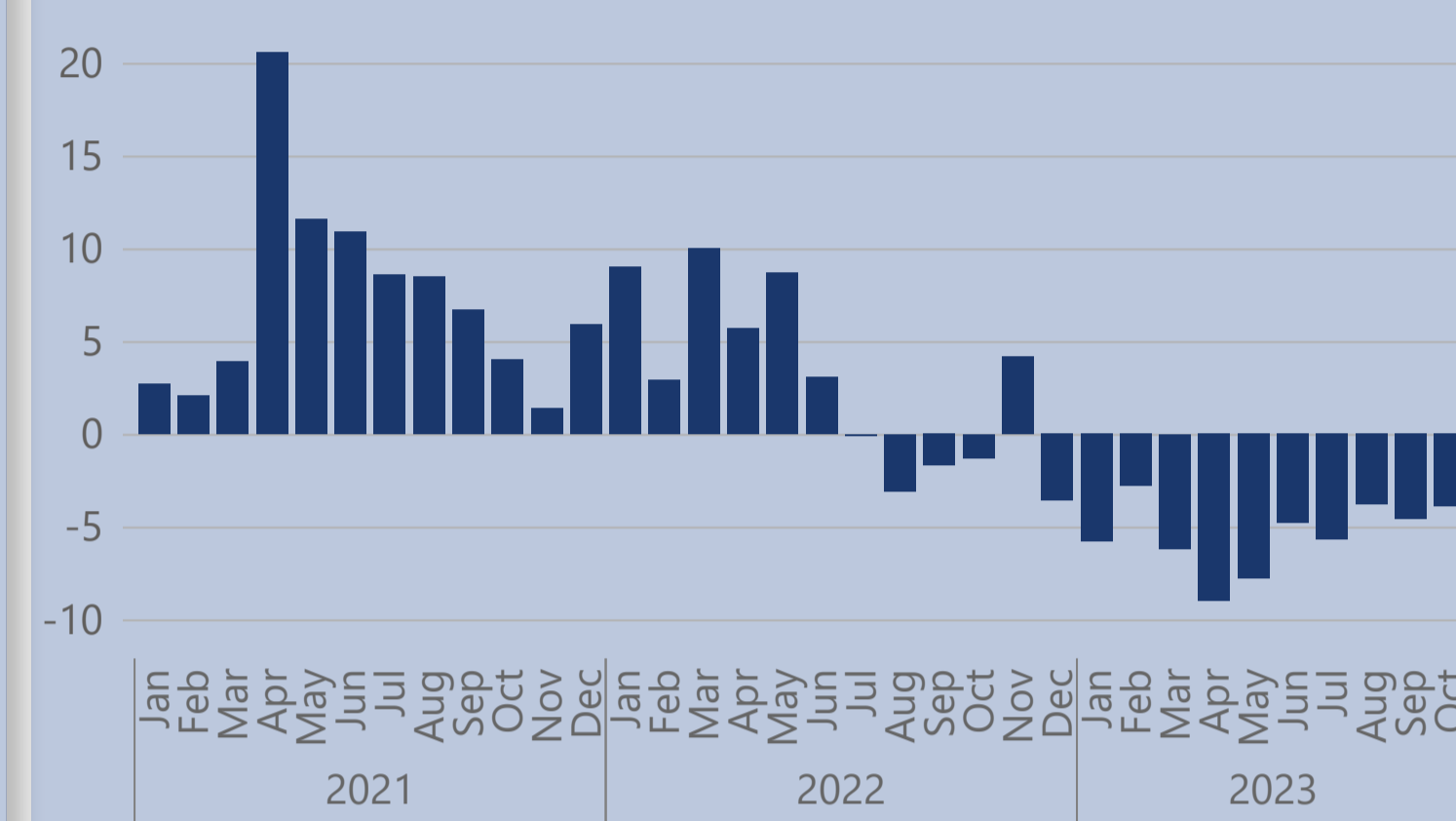
Source: CSB (29.09.2023), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2023)

INDUSTRIES

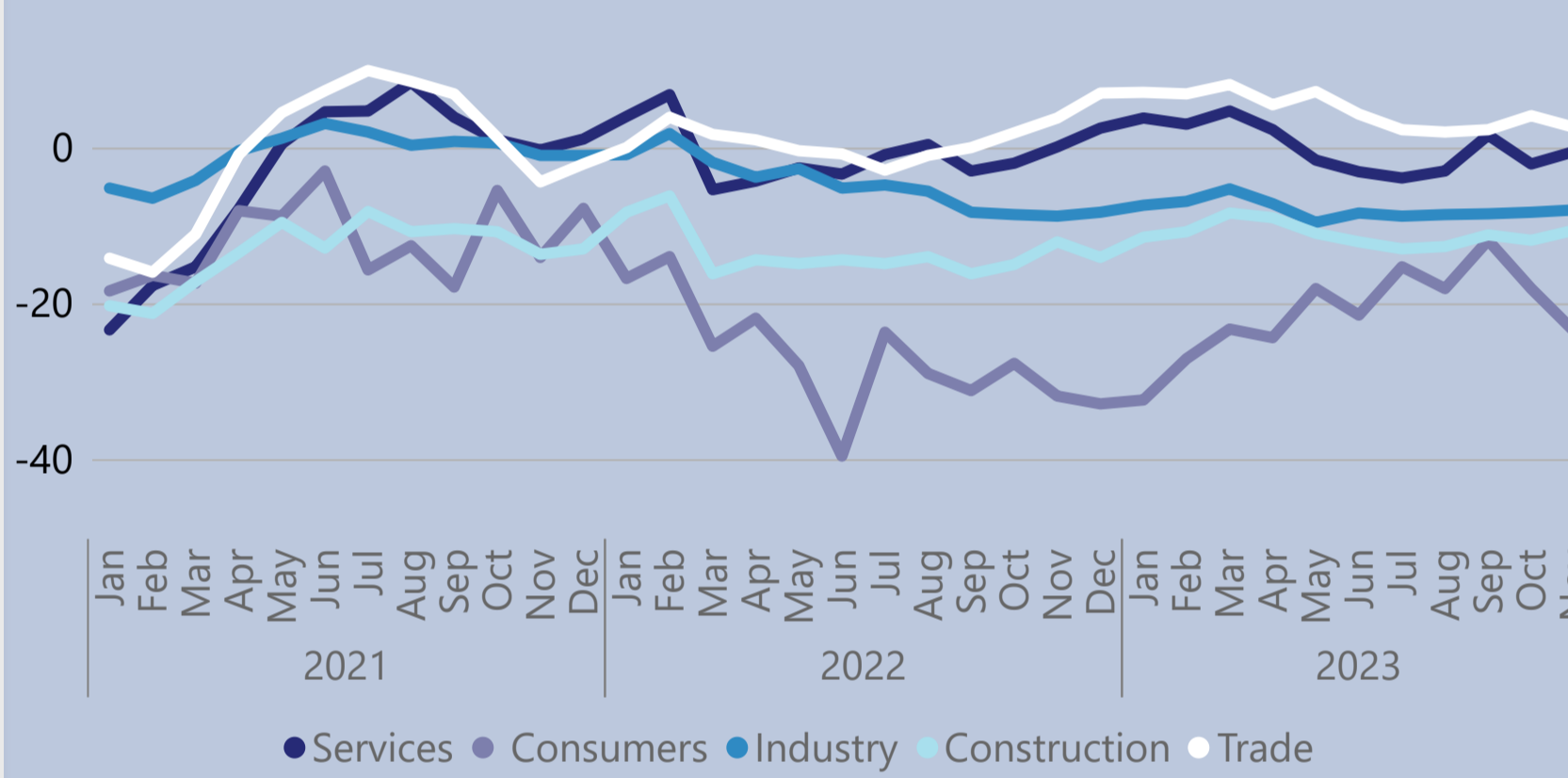
Retail trade growth, YoY%



Manufacturing output, YoY%

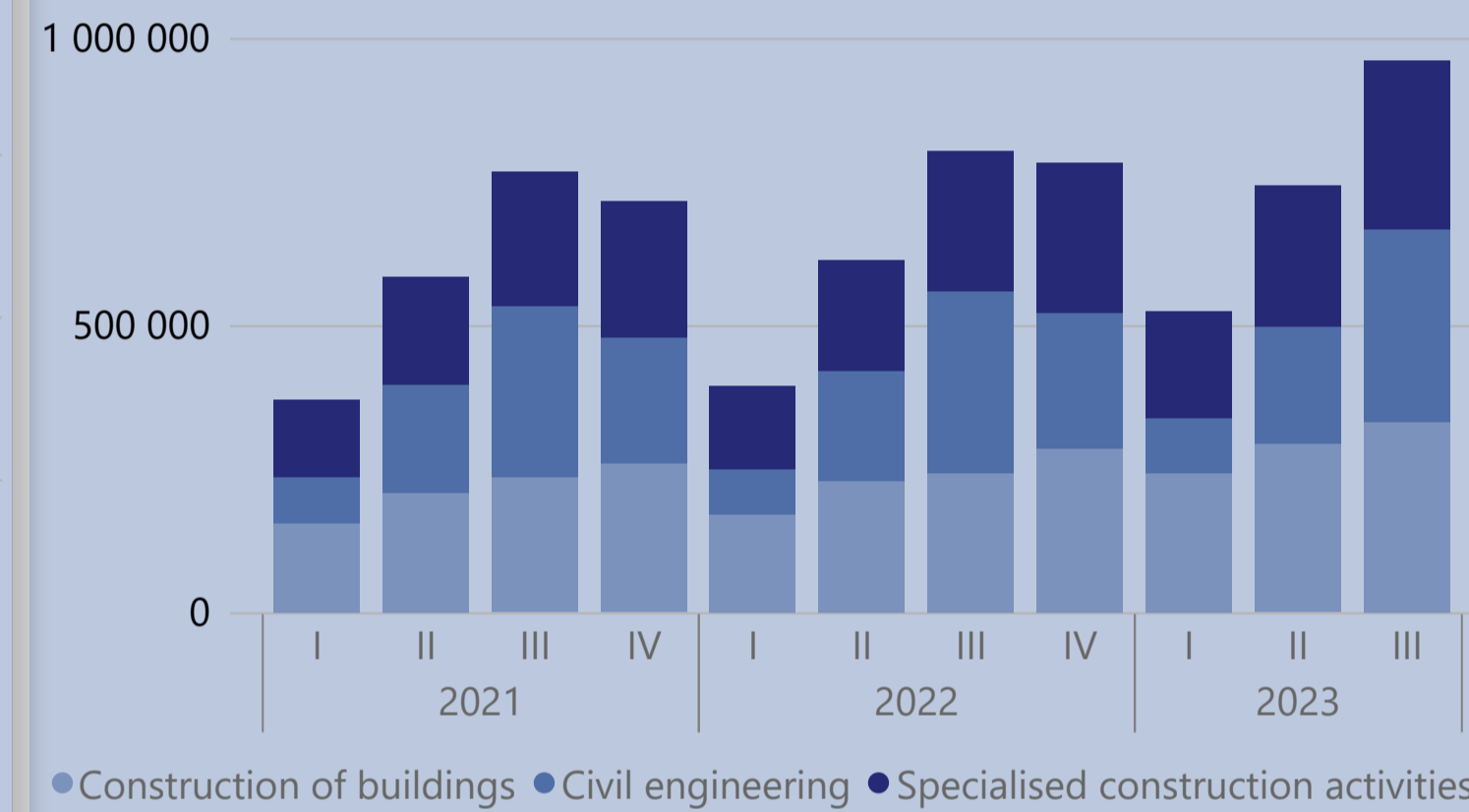


ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



UNEMPLOYMENT

Registered

5.4%

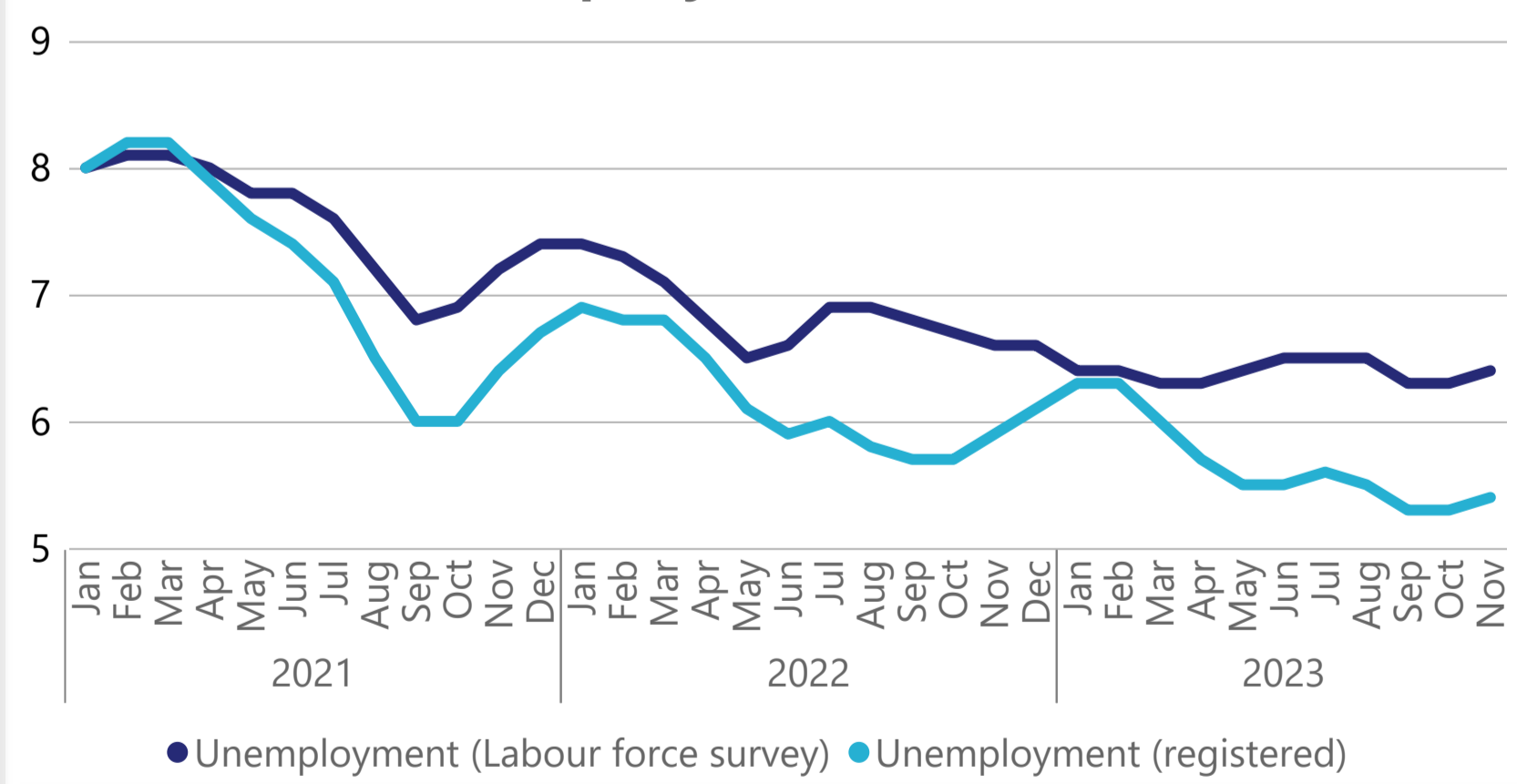
November 2023

Labour force survey

6.4%

November 2023

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 546€
(+11.1% YoY)
3Q 2023

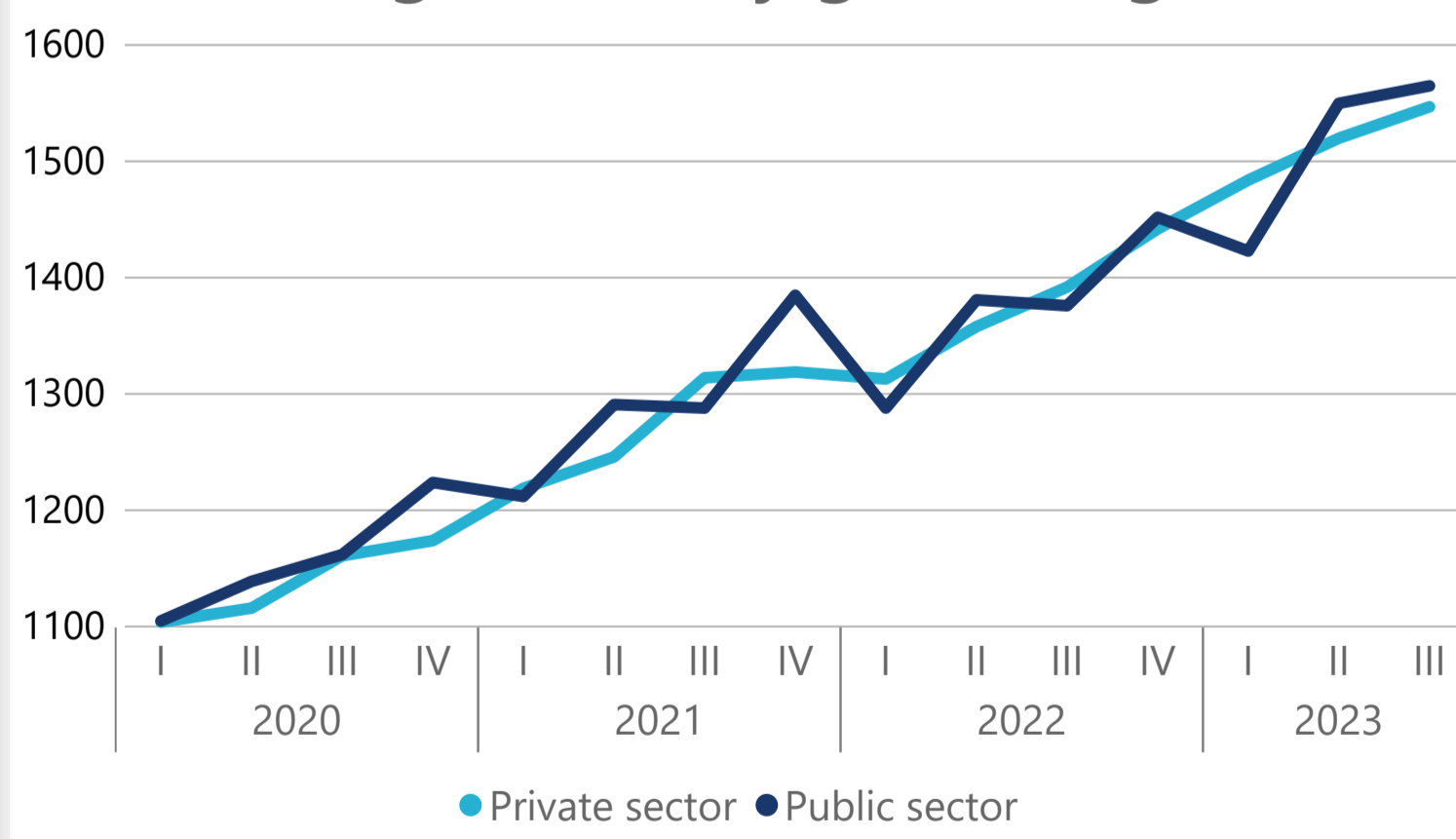
Public sector

1 564€
(+13.7% YoY)
3Q 2023

Total

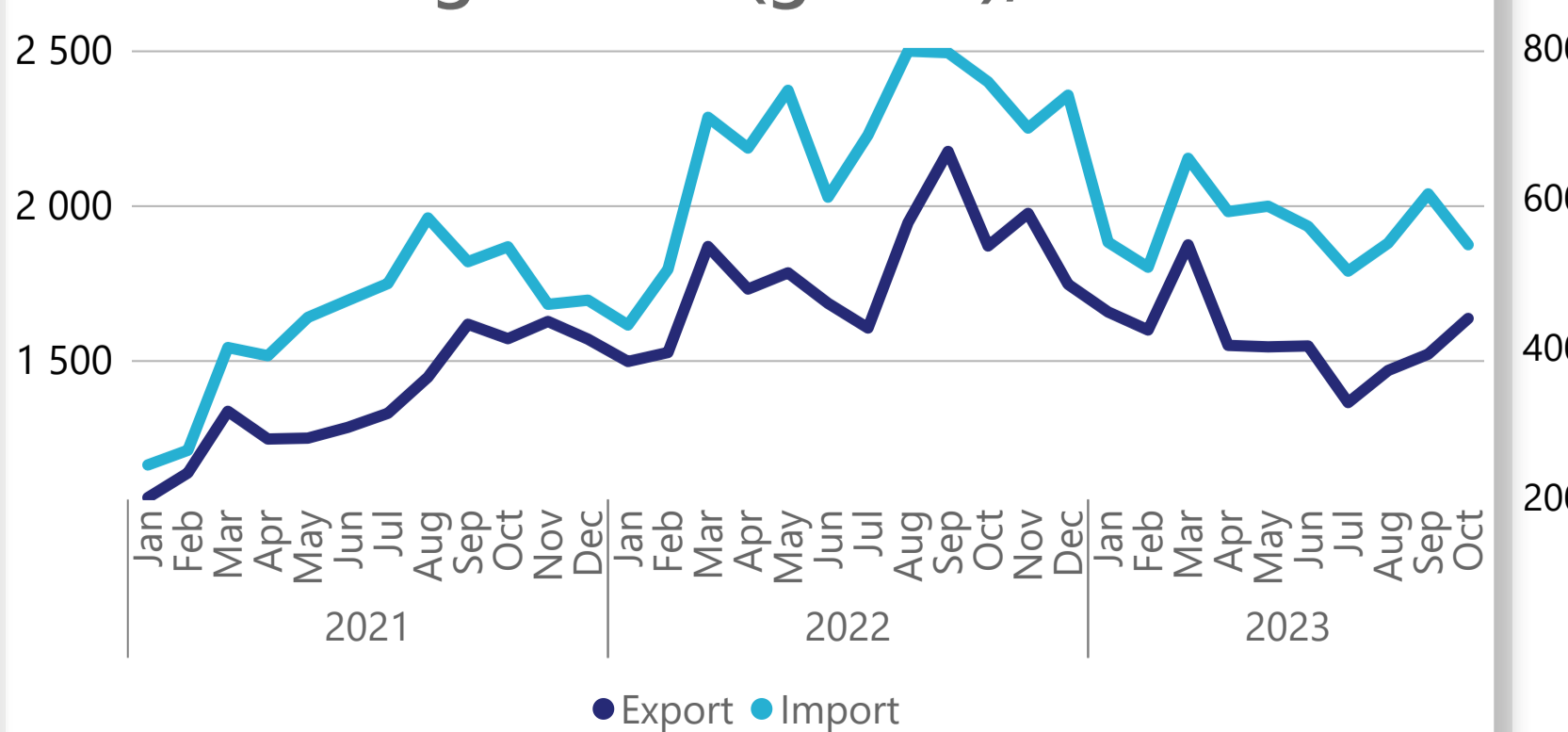
1 549€
(+11.8% YoY)
3Q 2023

Average monthly gross wage, €

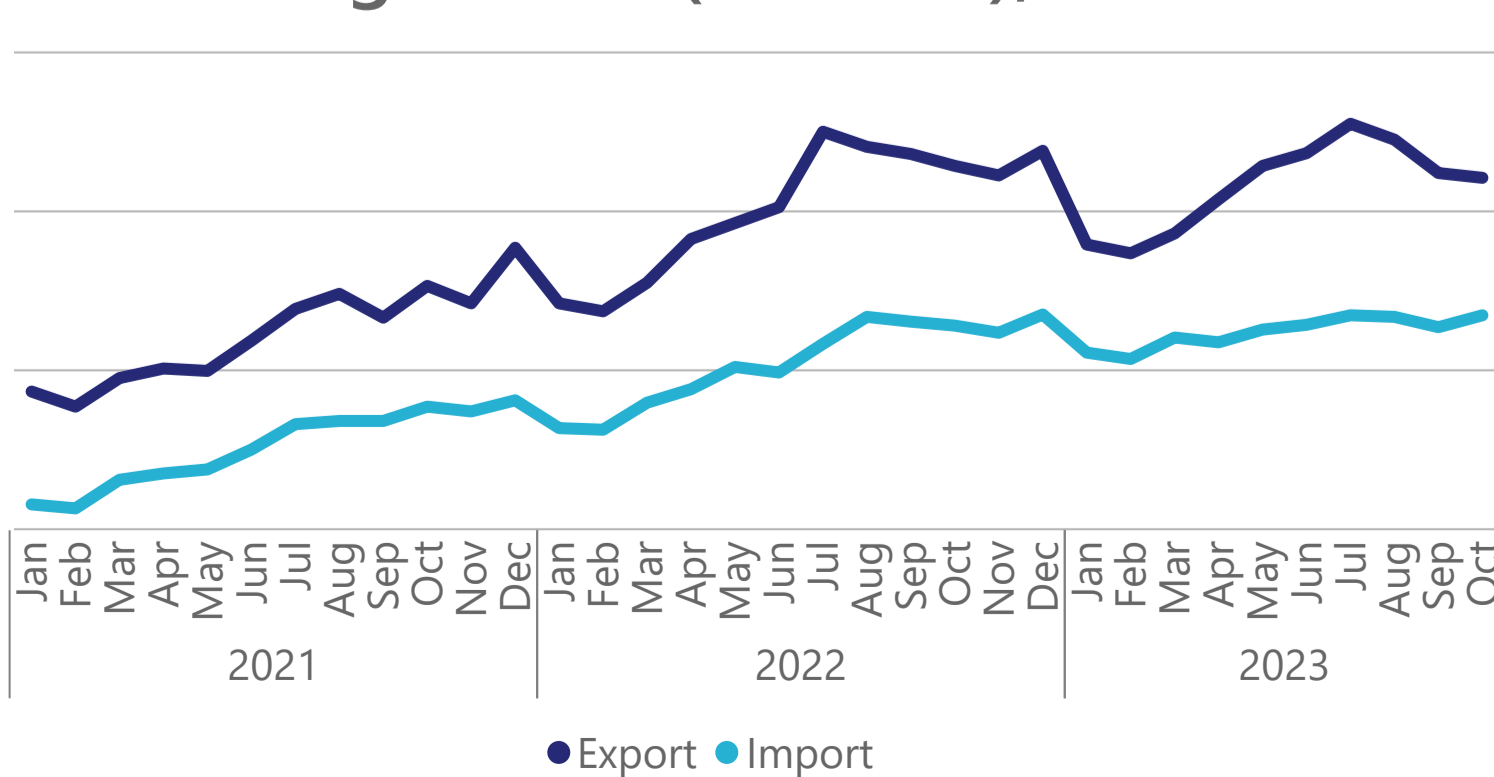


FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance
2023

-2.7% of GDP

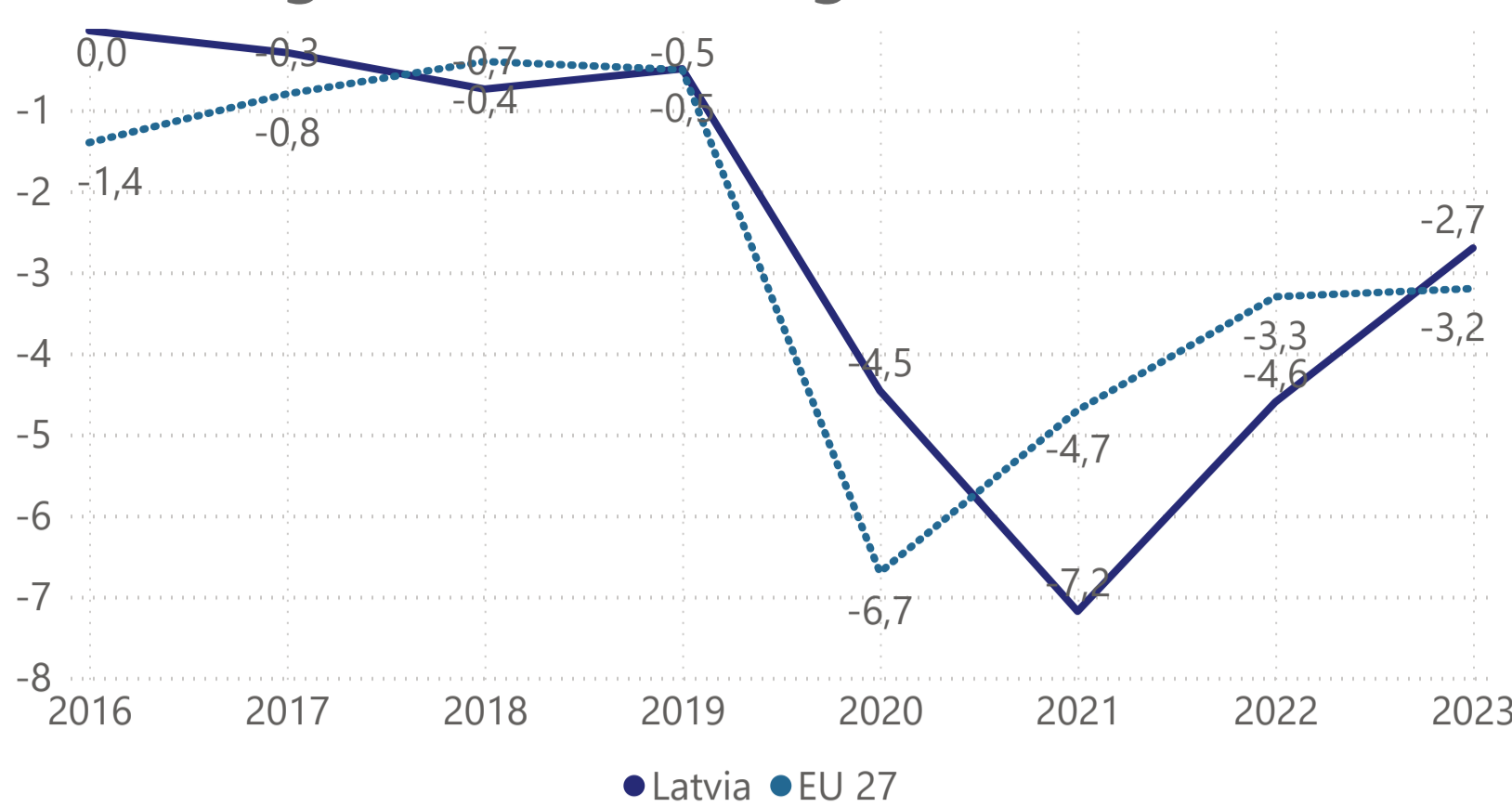
Forecast of MoF, October 2023

General government debt 2023

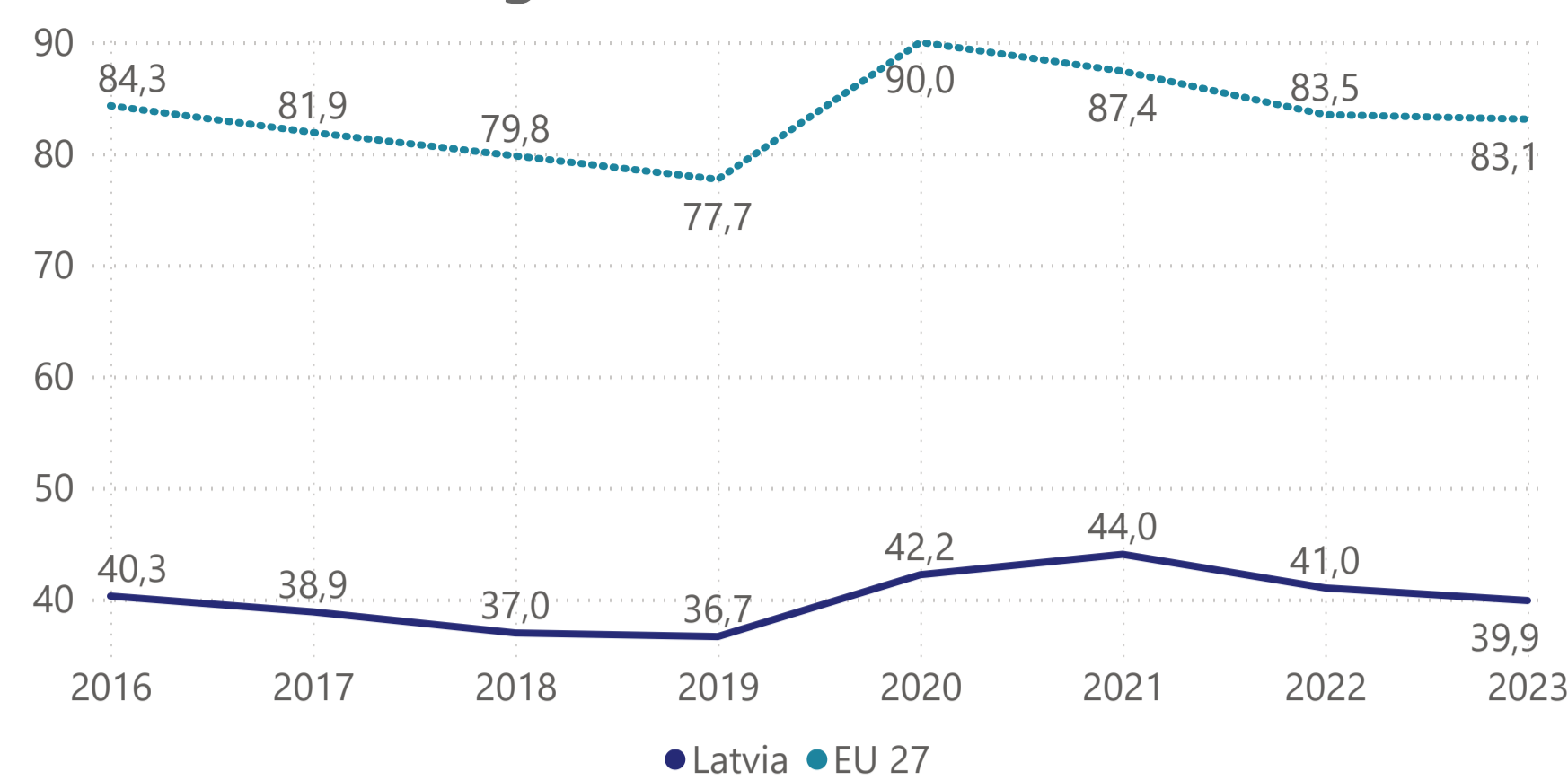
39.9% of GDP

Forecast of State Treasury, October 2023

General government budget balance, % of GDP



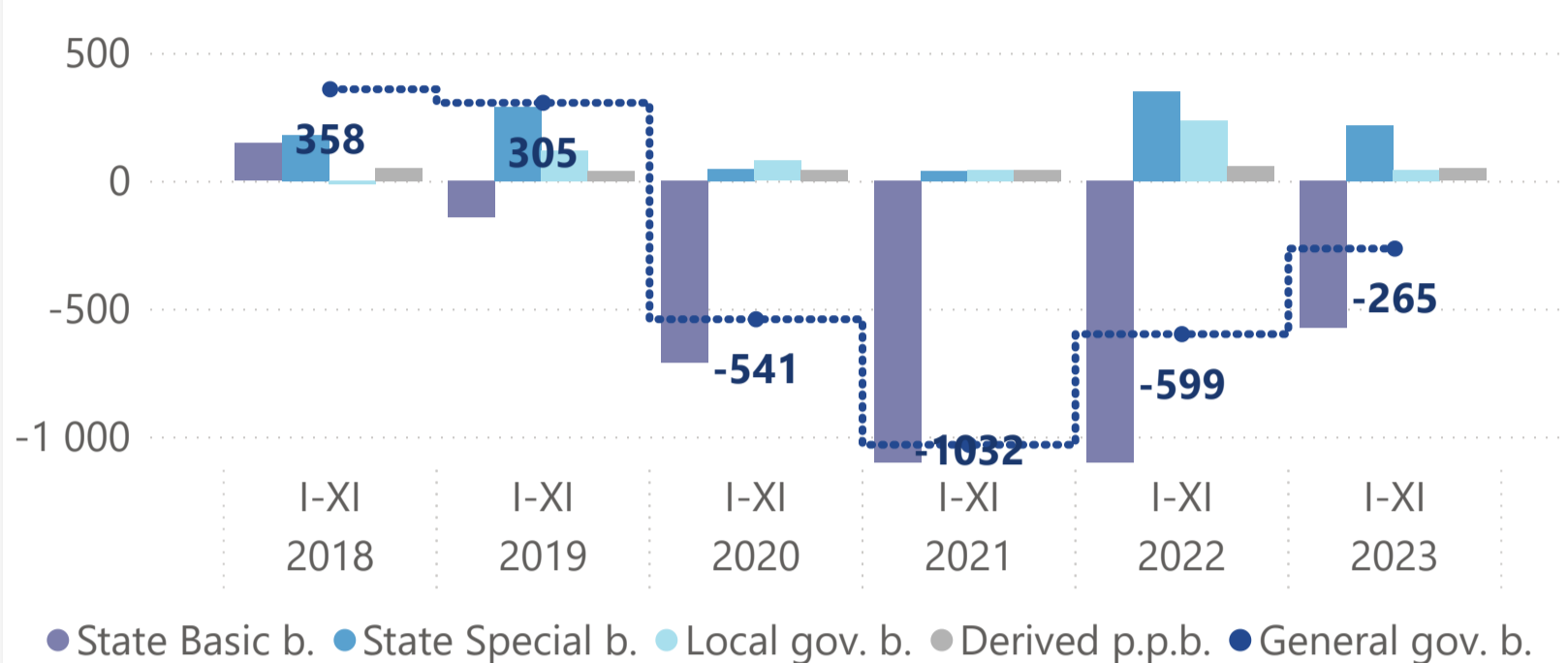
General government debt, % of GDP



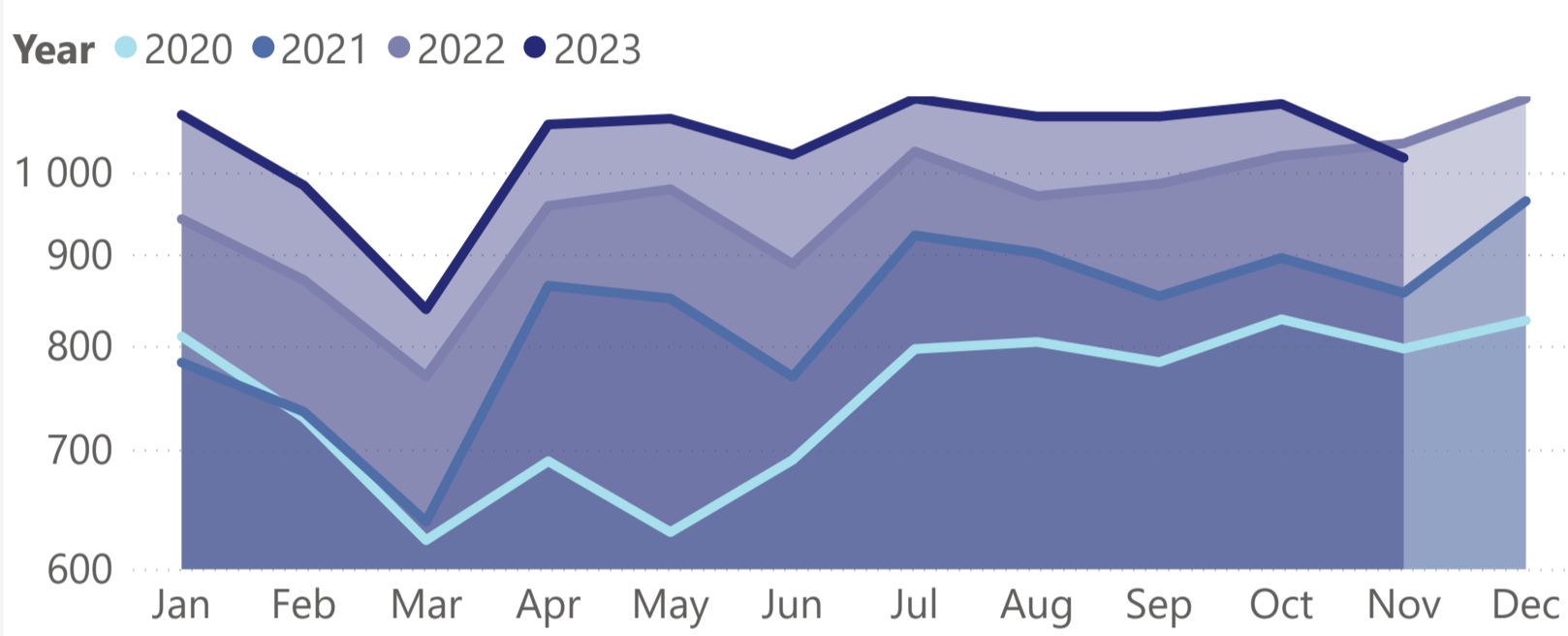
Source: Eurostat, Ministry of Finance, AMECO Autumn Forecast 2023.

GENERAL GOVERNMENT BUDGET IN JANUARY-NOVEMBER 2023 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: Treasury.

General government budget tax revenue in January-November 2023 including revenue in the single tax account -172.9 mln € and not included SSC revenues in 2nd pension tier 707.2 mln €.

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	14 183,4	1 289,2	10,0%
Expenditure	14 448,6	955,0	7,1%
Balance	-265,2	334,2	

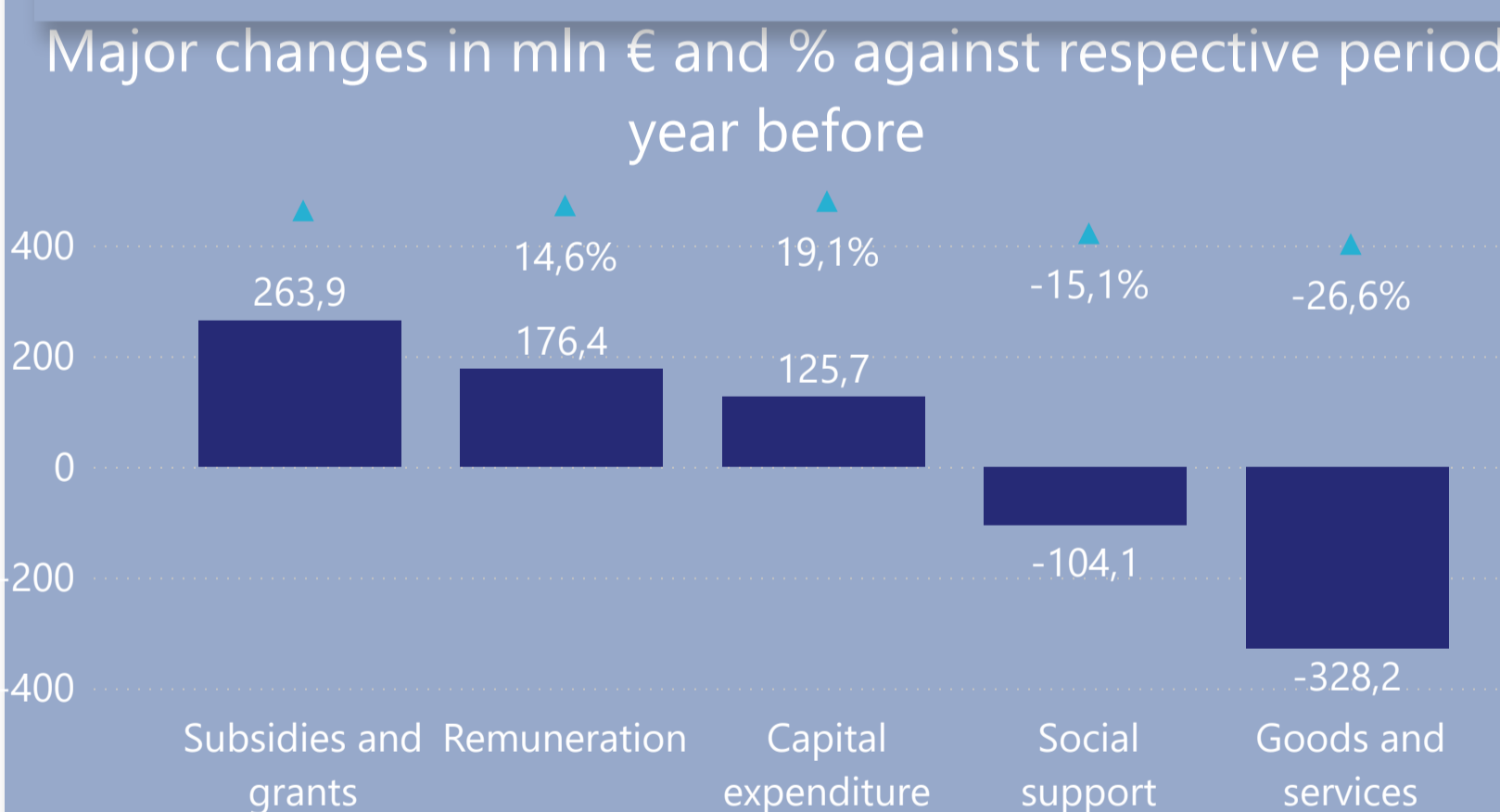
General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	11 427,8	977,9	9,4%
Non tax revenue	1 005,9	209,4	26,3%
Self-earned revenue	453,7	64,6	16,6%
Foreign financial assistance	1 294,0	36,8	2,9%
Expenditure			
Remuneration	3 123,0	422,1	15,6%
Goods and services	1 774,0	-217,5	-10,9%
Interest payments	225,7	36,1	19,1%
Subsidies and grants	3 384,1	285,3	9,2%
Social support	4 447,0	306,8	7,4%
Payments to EU budget	328,3	-30,9	-8,6%
Capital expenditure	1 088,1	124,3	12,9%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	3 688,3	303,2	9,0%
VAT	3 548,7	332,1	10,3%
PIT	2 268,3	205,7	10,0%
EXCISE	1 065,5	19,9	1,9%
CIT	518,0	167,6	47,8%

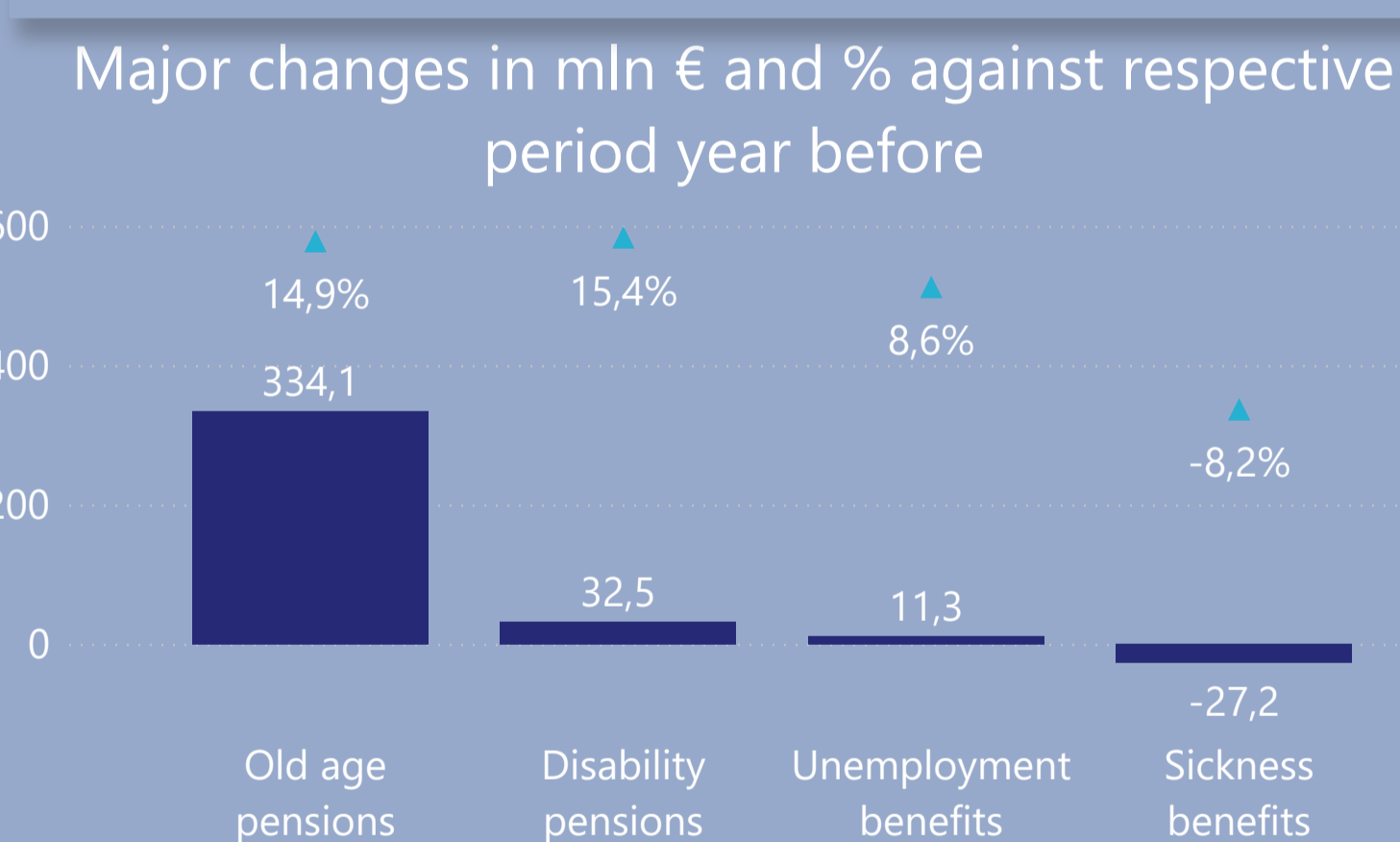
STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	8 241,4	850,4	11,5%
Expenditure	8 813,8	182,9	2,1%
Balance	-572,4	667,5	



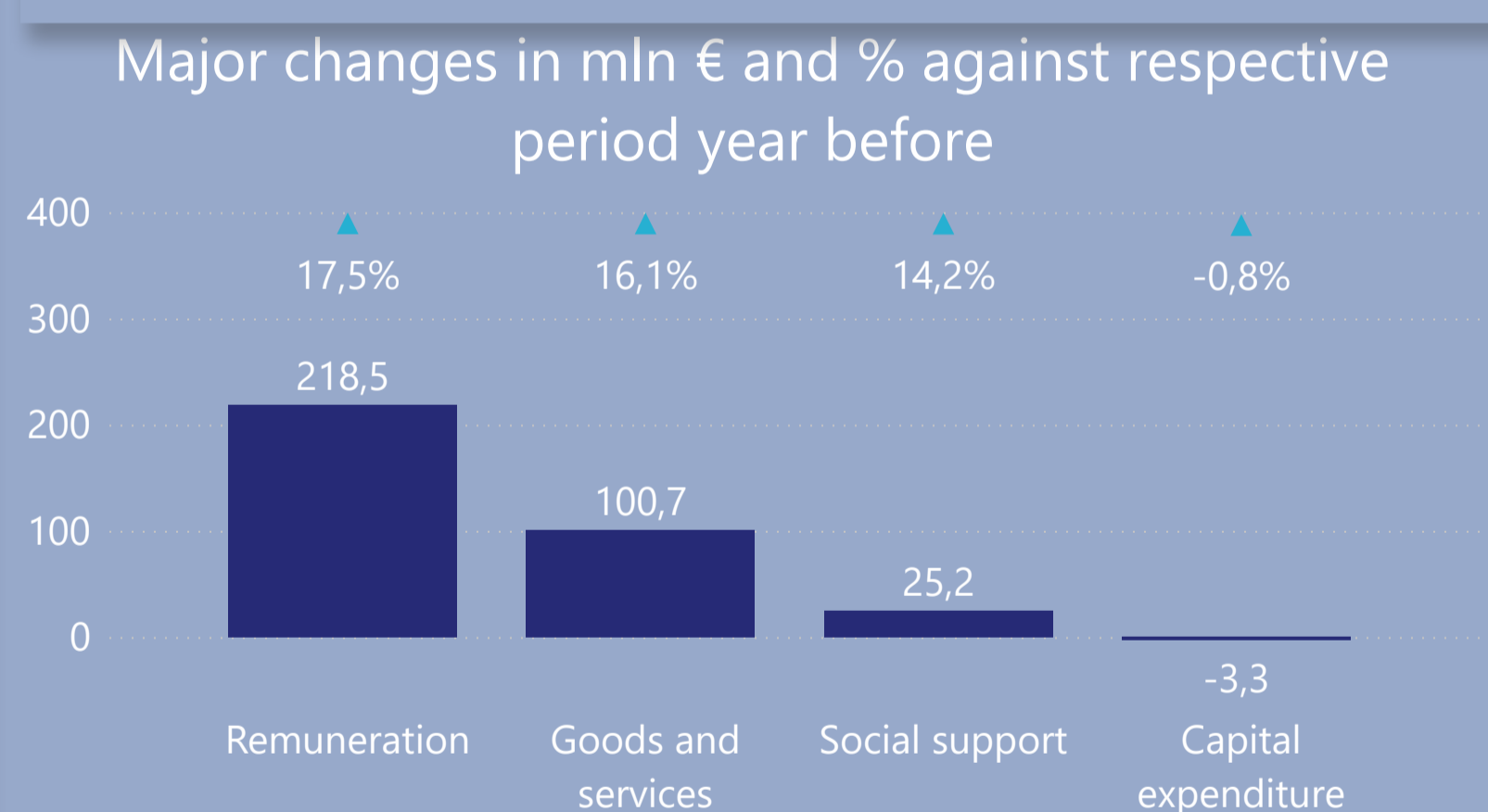
STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 883,7	251,5	6,9%
Expenditure	3 667,3	384,6	11,7%
Balance	216,4	-133,0	



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 186,3	207,8	7,0%
Expenditure	3 144,2	401,5	14,6%
Balance	42,1	-193,7	



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

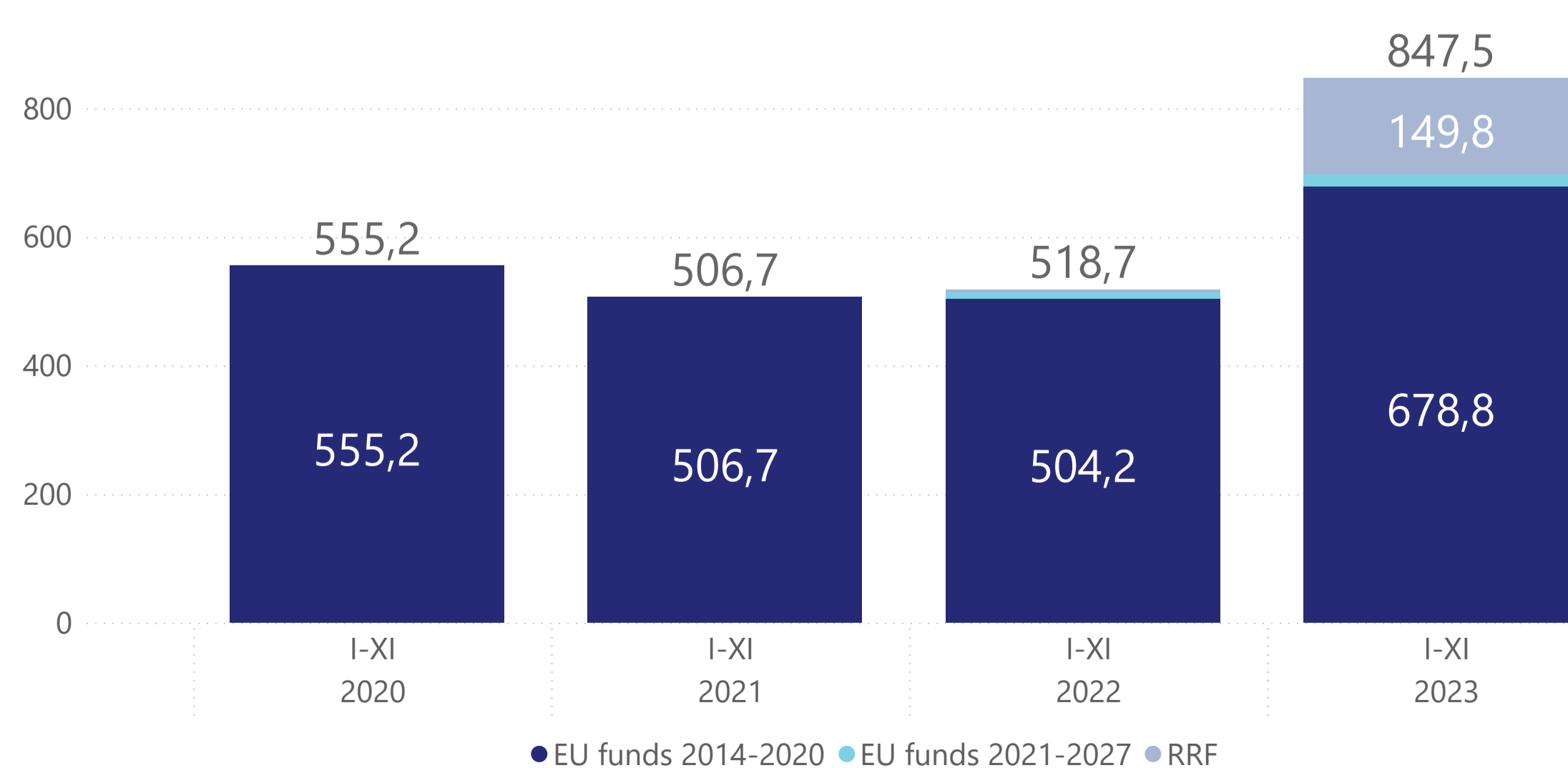
CRISIS SUPPORT MEASURES

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	58,8	100,8
Energy		1,9	603,5	436,8	652,0
Ukraine			81,0	59,4	102,0
Total support measures	1281,7	2317,0	1650,4	555,0	854,8
% of GDP	4,3	6,9	4,2	1,3	2,0
Impact on budget balance	-960,8	-2104,7	-1481,0	-560,9	-670,4
(% of GDP)	-3,2	-6,3	-3,8	-1,3	-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 November 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.