MACROECONOMIC AND BUDGETARY REVIEW 2022
No1

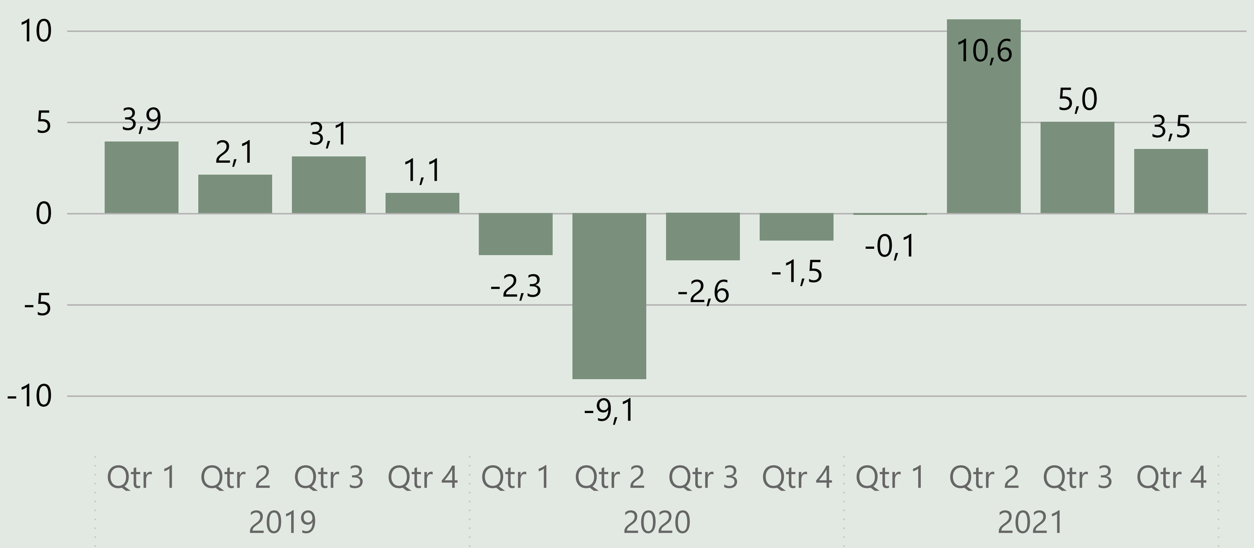
GROSS DOMESTIC PRODUCT (GDP)

Gross domestic product 2021

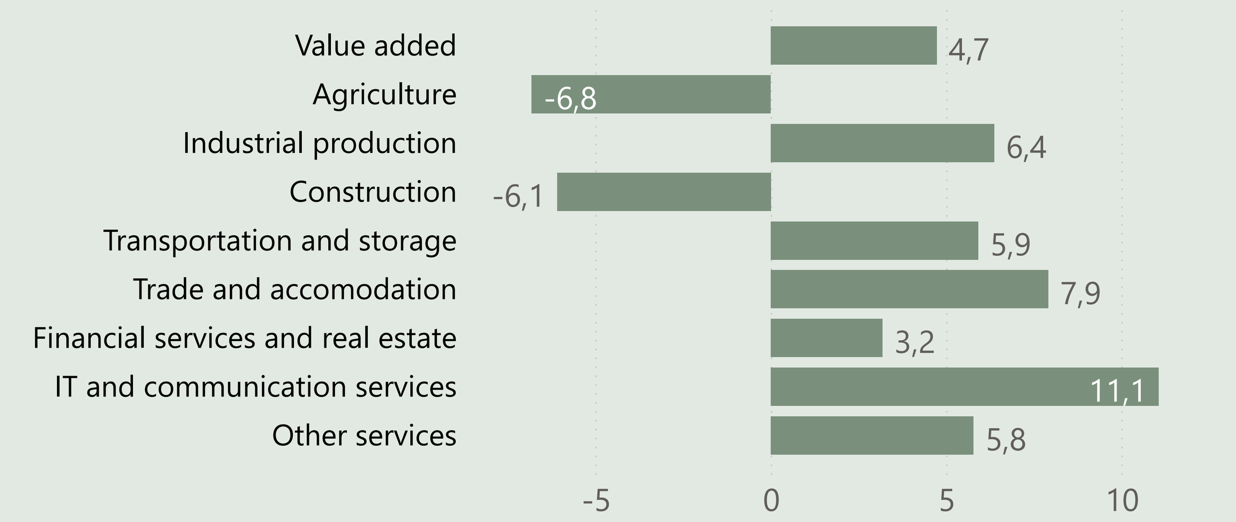
32 917 mln €

Central Statistical Bureau

GDP growth, YoY%



GDP growth by sectoral breakdown (2021/2020), %



Source: Central Statistical Bureau(CSB)

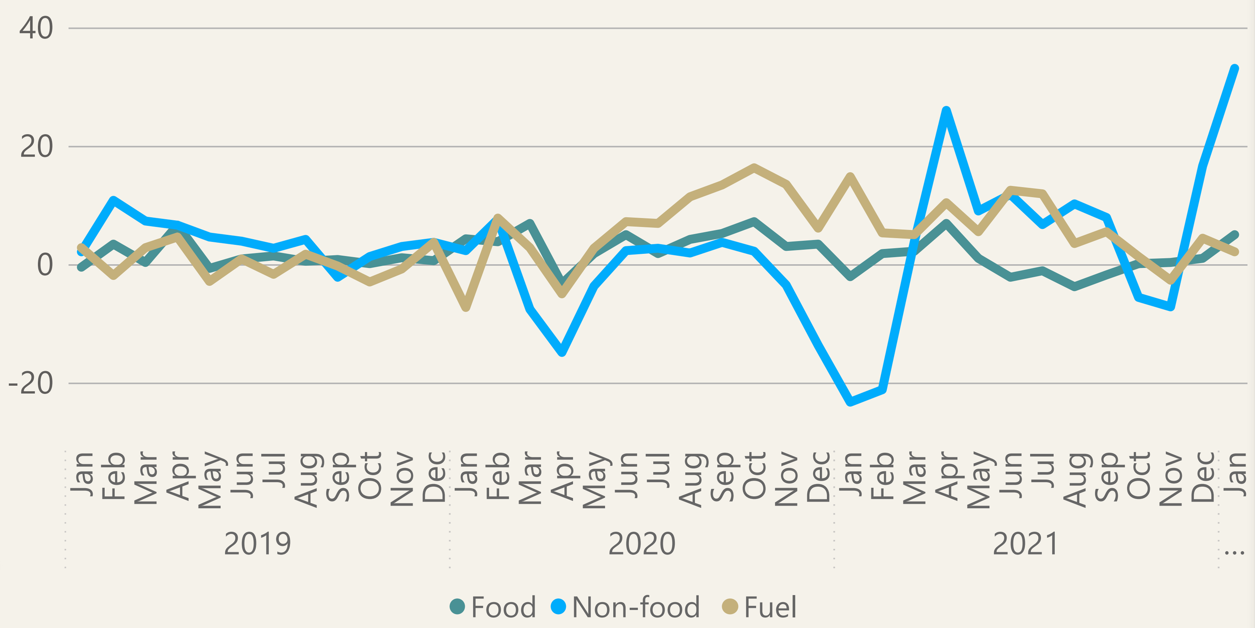
MAIN MACROECONOMIC INDICATORS

Indicator	2016	2017	2018	2019	2020	2021	2022*	2023*	2024*	2025*
Nominal GDP growth, %	3,3	6,4	8	5,1	-4	11,8	10,8	7,6	6,3	5,8
Real GDP growth, %	2,4	3,3	4	2,5	-3,8	4,8	4	3,9	3,4	3,4
GDP deflator, % change	0,9	2,9	3,9	2,6	-0,1	6,7	6,6	3,5	2,8	2,3
Consumer price index, % change	0,2	2,9	2,6	2,8	0,2	3,3	6,2	3,1	2,5	2
Average monthly gross wage, EUR	859	926	1004	1076	1143	1277	1373	1455	1532	1609
nominal growth, %	5	7,8	8,4	7,2	6,2	11,8	7,5	6	5,3	5
real growth, %	4,8	4,7	5,7	4,2	6	8,5	1,2	2,8	2,7	2,9
Number of persons employed, thsd	893	895	909	910	893	864	879	881	881	881
growth, %	-0,3	0,2	1,6	0,1	-1,9	-3,2	1,7	0,3	0	0
Unemployment rate, %	9,6	8,7	7,4	6,3	8,1	7,6	6,9	6,5	6,1	5,9

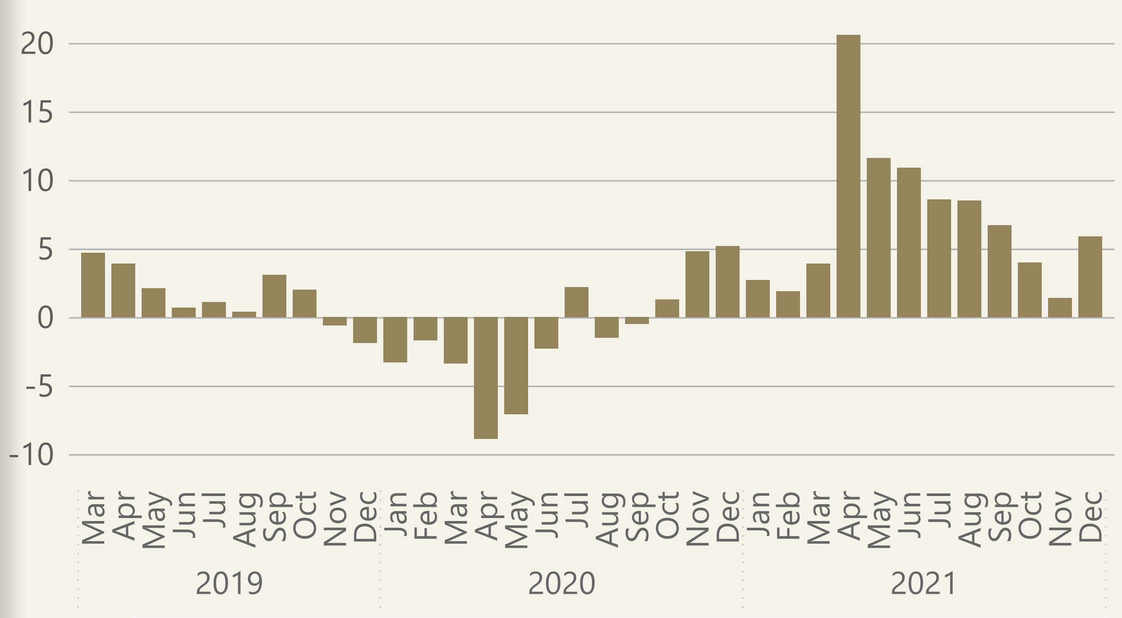
Source: CSB, *forecasts of the Ministry of Finance of the Republic of Latvia (February 2022)

INDUSTRIES

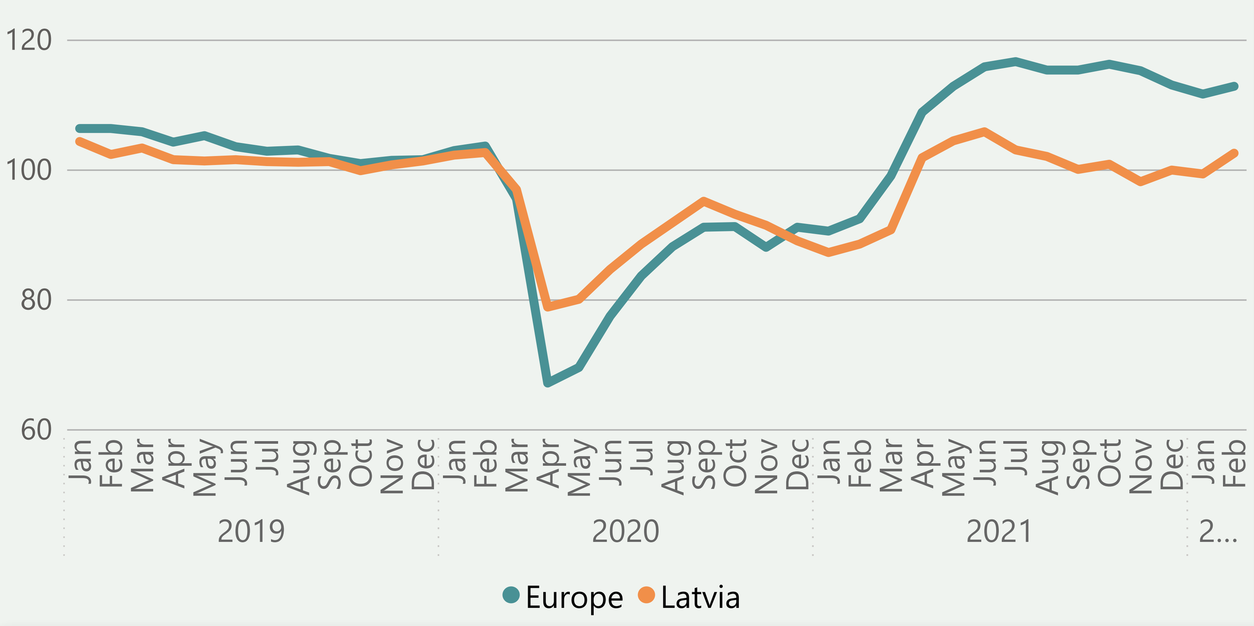
Retail trade growth, YoY%



Manufacturing output, YoY%

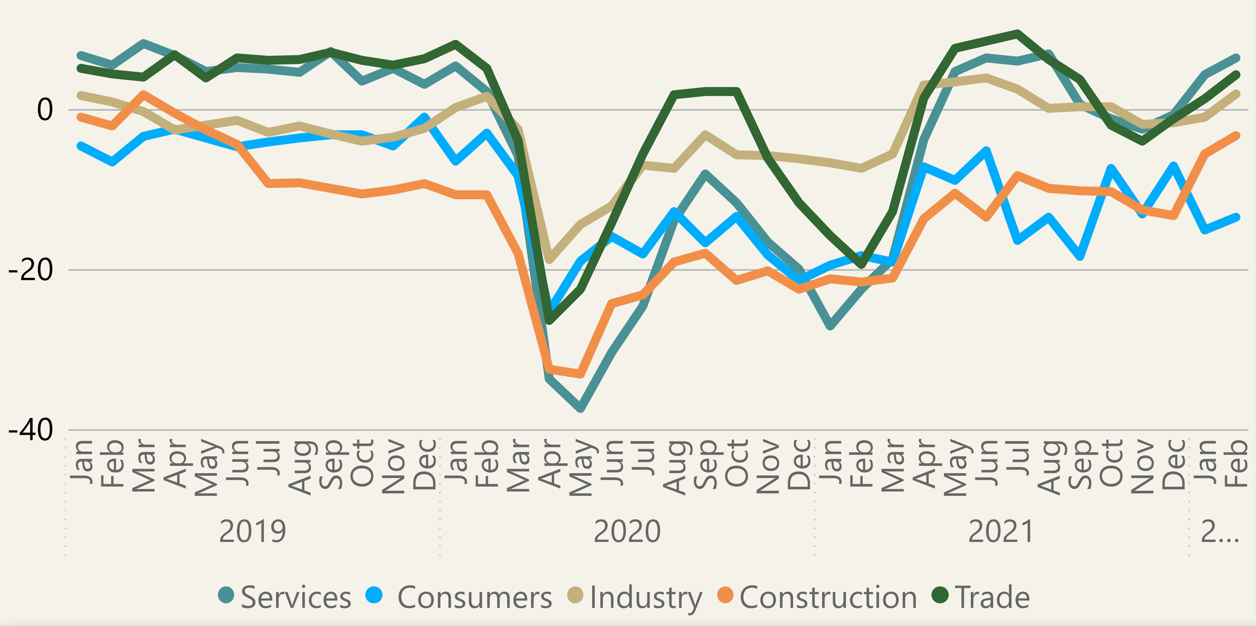


Economic confidence

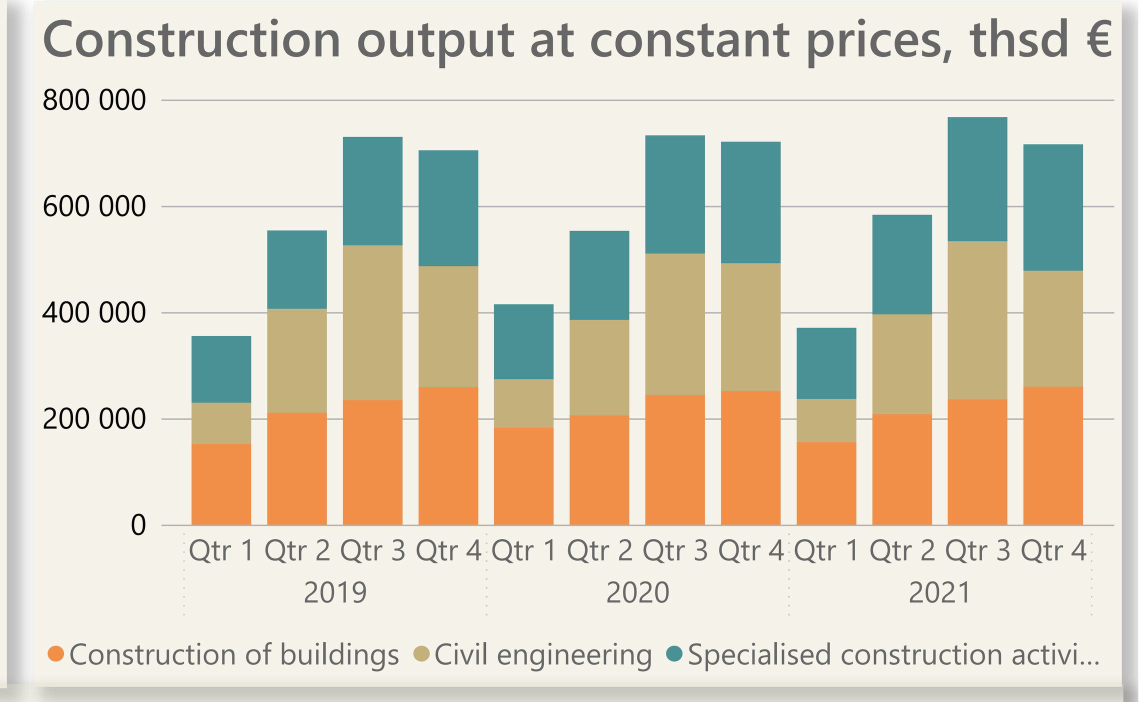


Source: European Commission

ESI Sector Confidence Index in Latvia



Construction output at constant prices, thsd €



Source: CSB, European Commission

INFLATION

Inflation

7,4%

January 2022

Producer price rise

27%

January 2022

EMPLOYMENT

Unemployment (registered)

6,9%

January 2022

Unemployment (Labour force survey)

7,6%

January 2022

Wage (private sector)

1 318 €

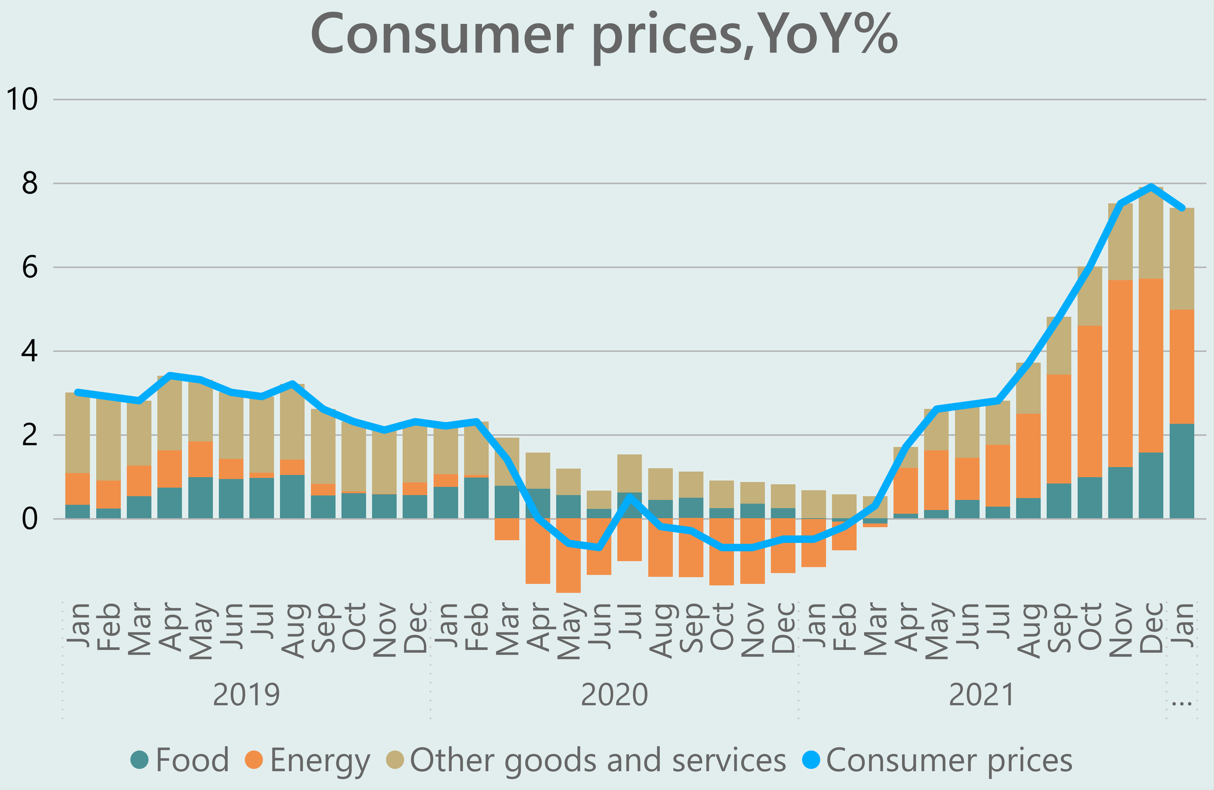
4Q 2021

Wage (public sector)

1 384 €

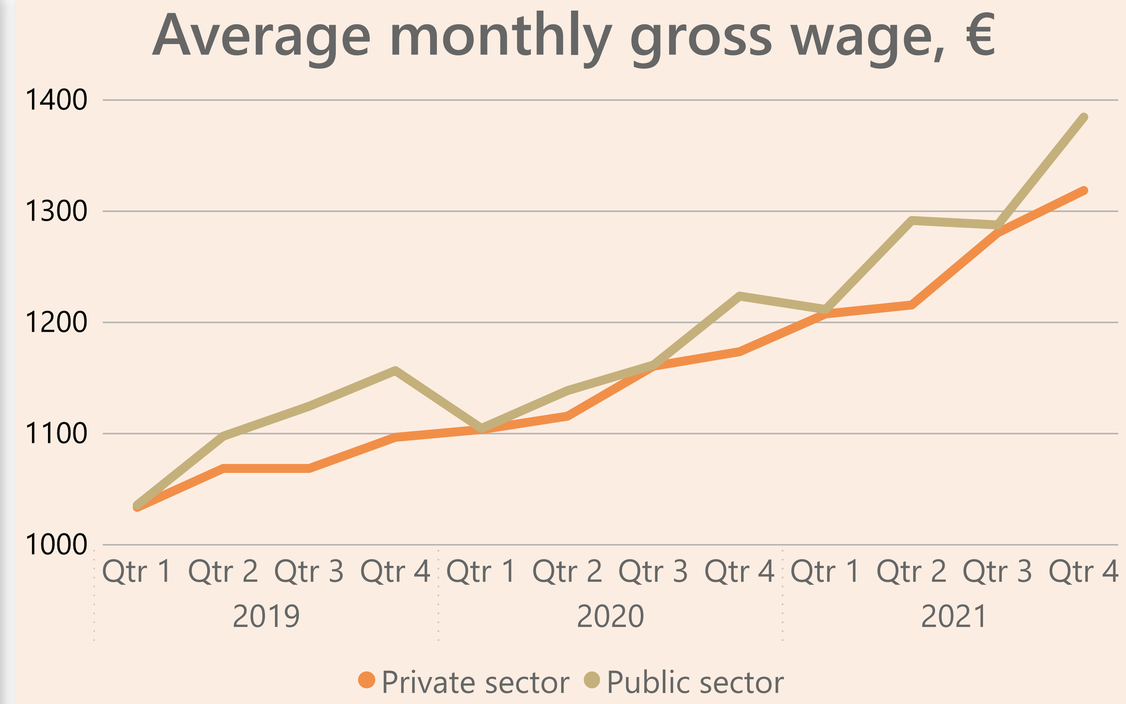
4Q 2021

Consumer prices,YoY%



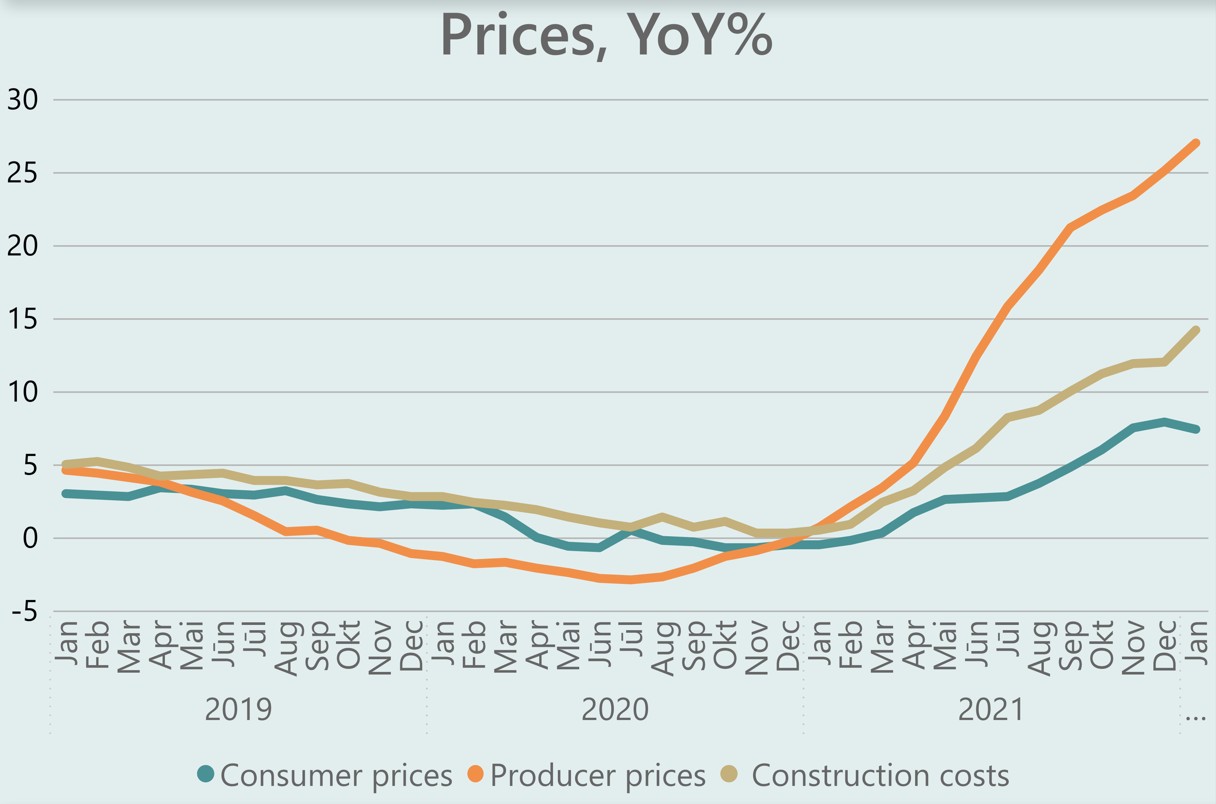
Unemployment rate, %

Average monthly gross wage, €



Source: CSB, State Employment Agency

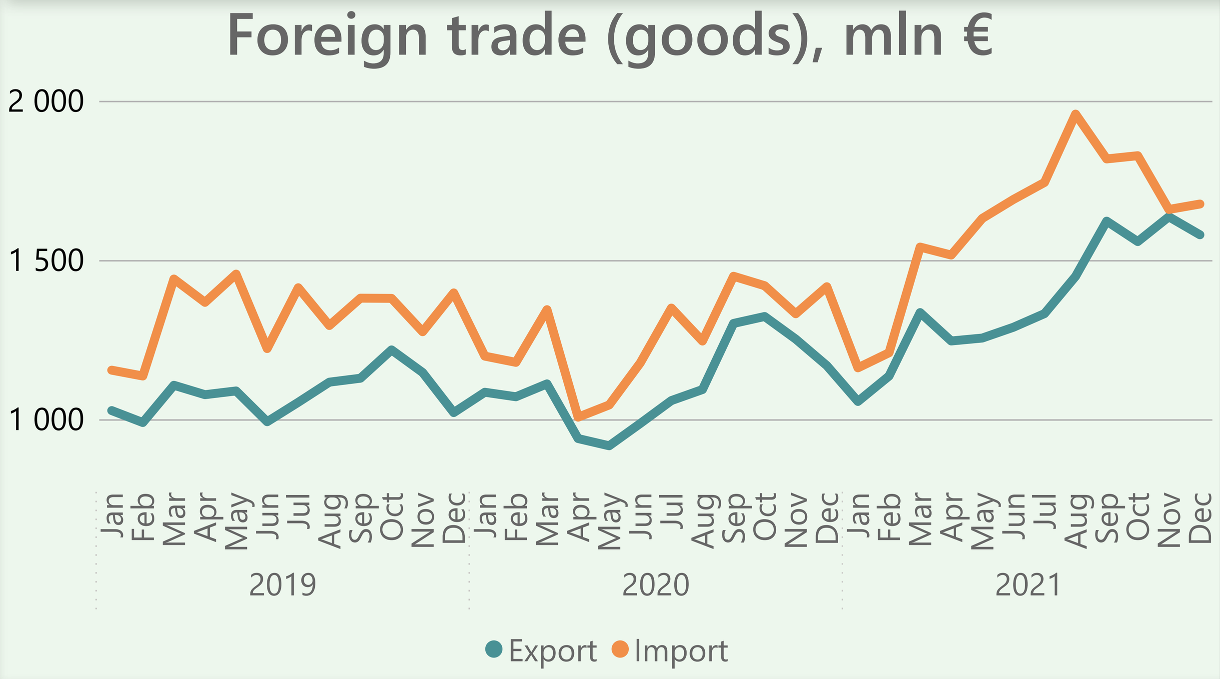
Prices, YoY%



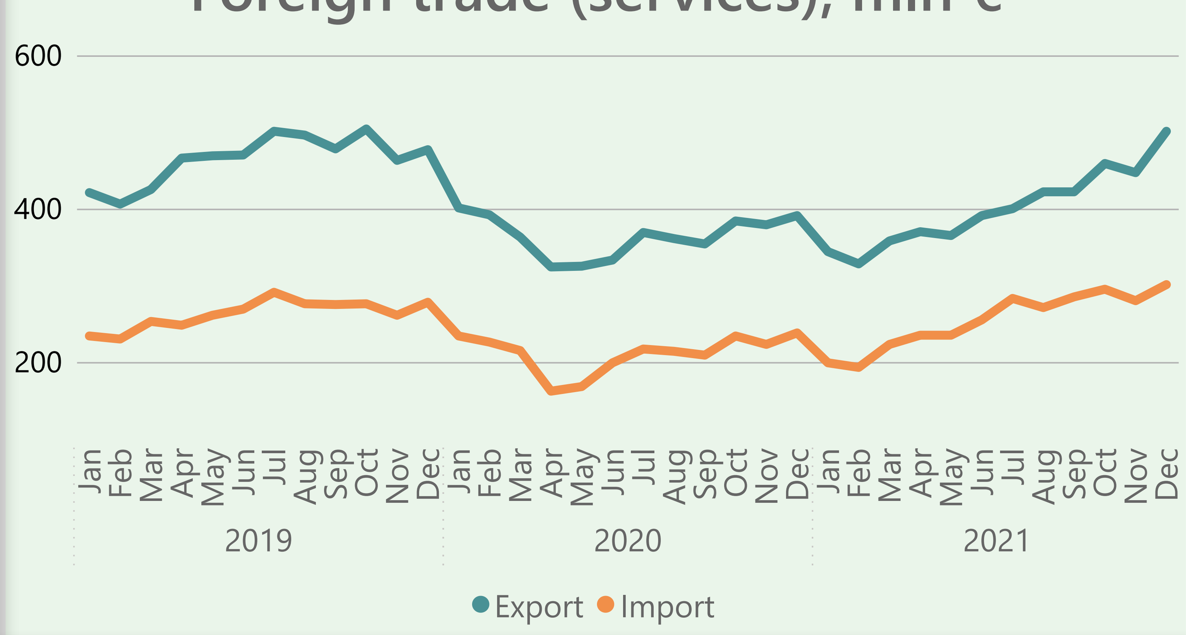
Source: CSB

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB

GENERAL GOVERNMENT BUDGET

General government budget balance 2021

-7,3% of GDP

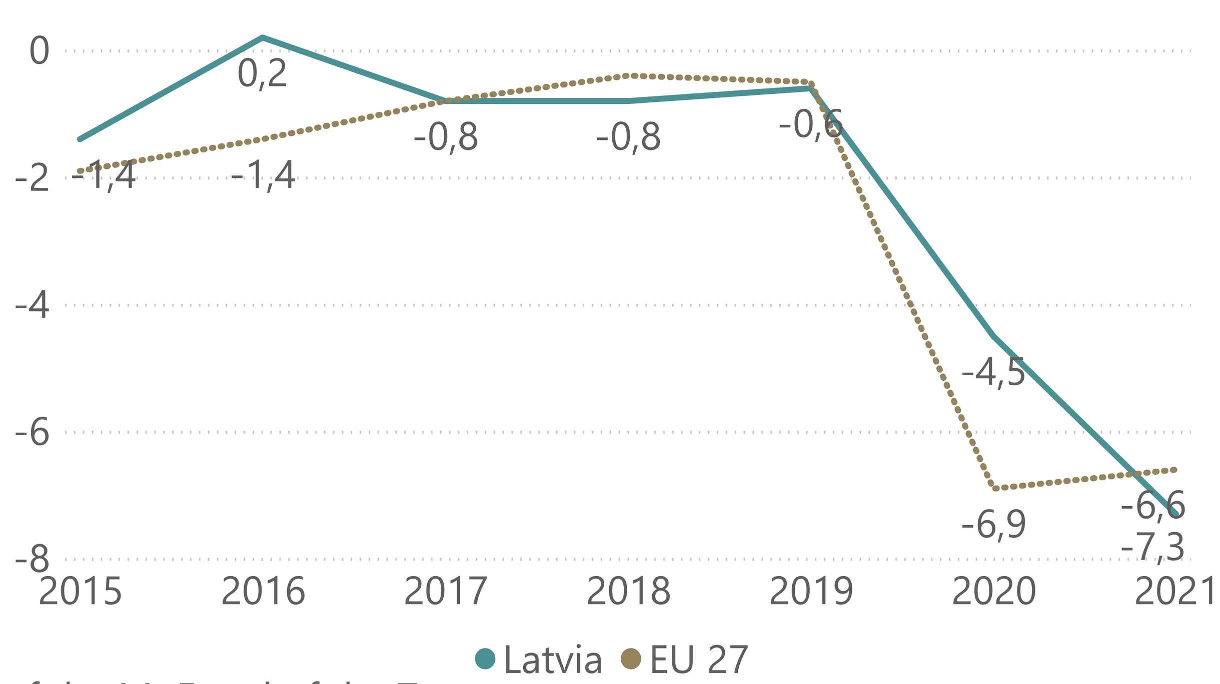
Ministry of Finance, January 2022

General government debt 2021

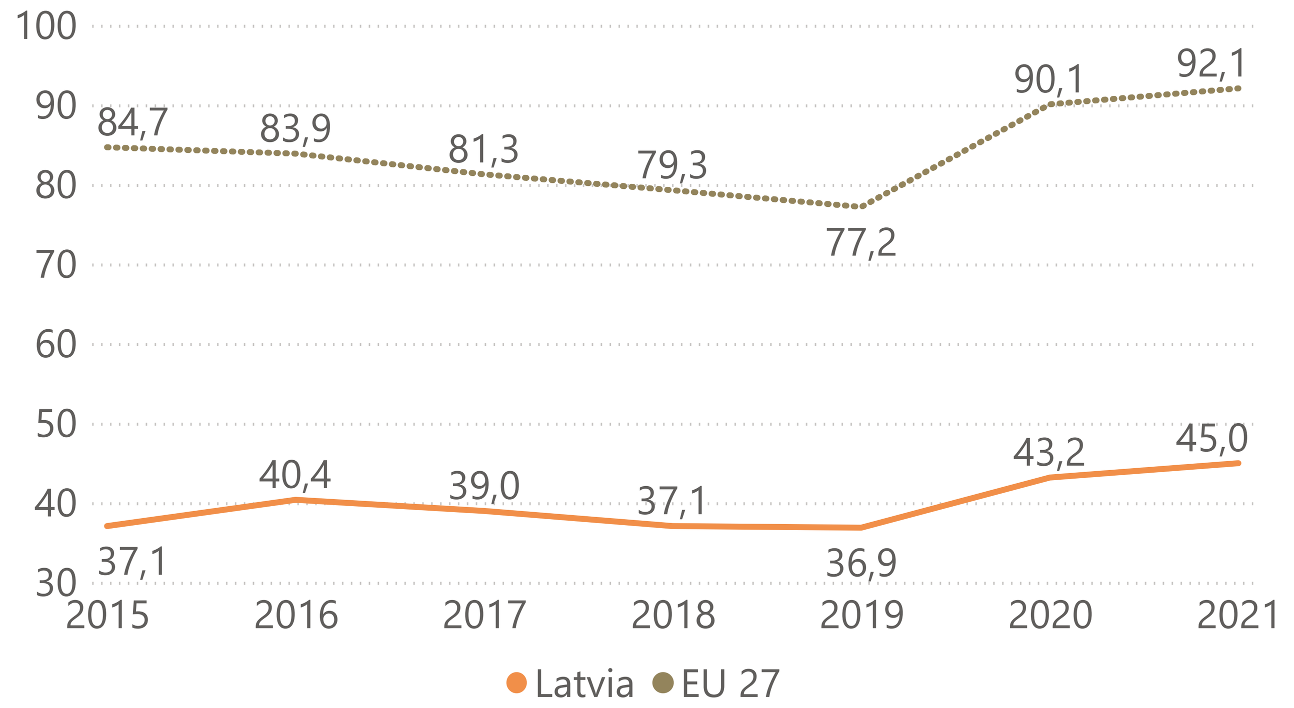
45% of GDP

Treasury, January 2022

General government budget balance, % of GDP



General government debt, % of GDP

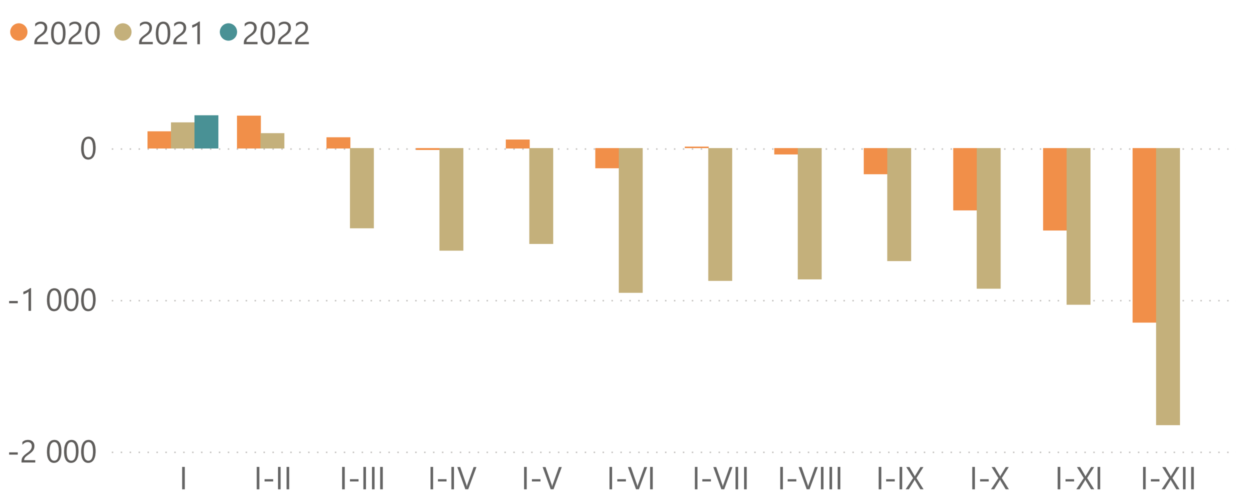


Source: Eurostat, AMECO autumn forecasts 2021, assessment of the MoF and of the Treasury.

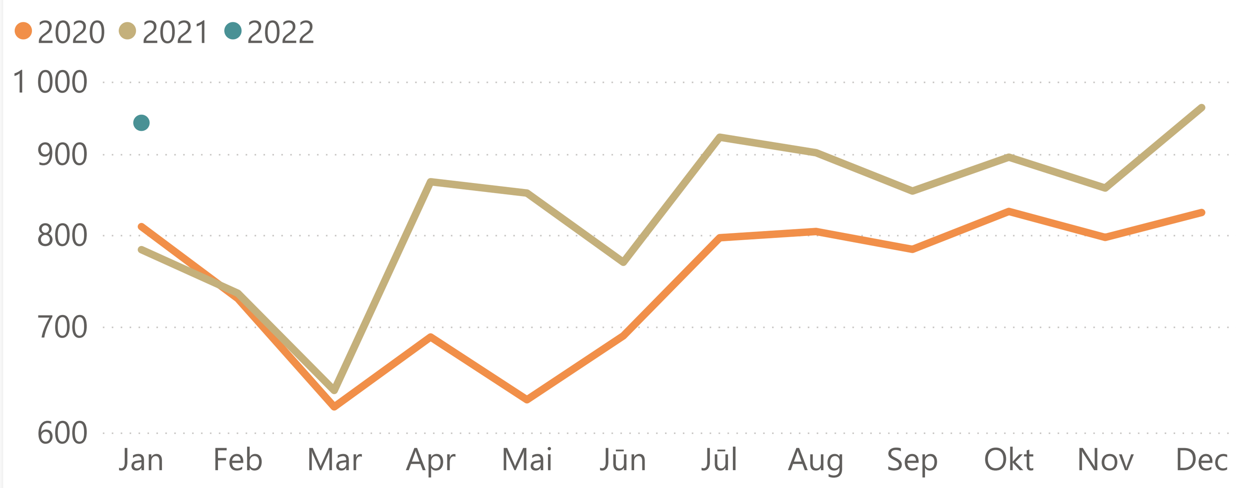
GENERAL GOVERNMENT BUDGET IN JANUARY 2022

ON CASH BASES

General government budget balance, mln €



General government budget tax revenue, mln €



General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue	1 230,2	204,4	19,9%
Expenditure	1 011,8	156,2	18,3%
Balance	218,4	48,2	28,3%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY,%
SSC	333,5	168,7	102,4%
VAT	305,2	86,8	39,8%
PIT	230,2	79,6	52,8%
EXT	94,5	6,3	7,2%
CIT	36,6	15,5	73,3%

Revenue and expenditure

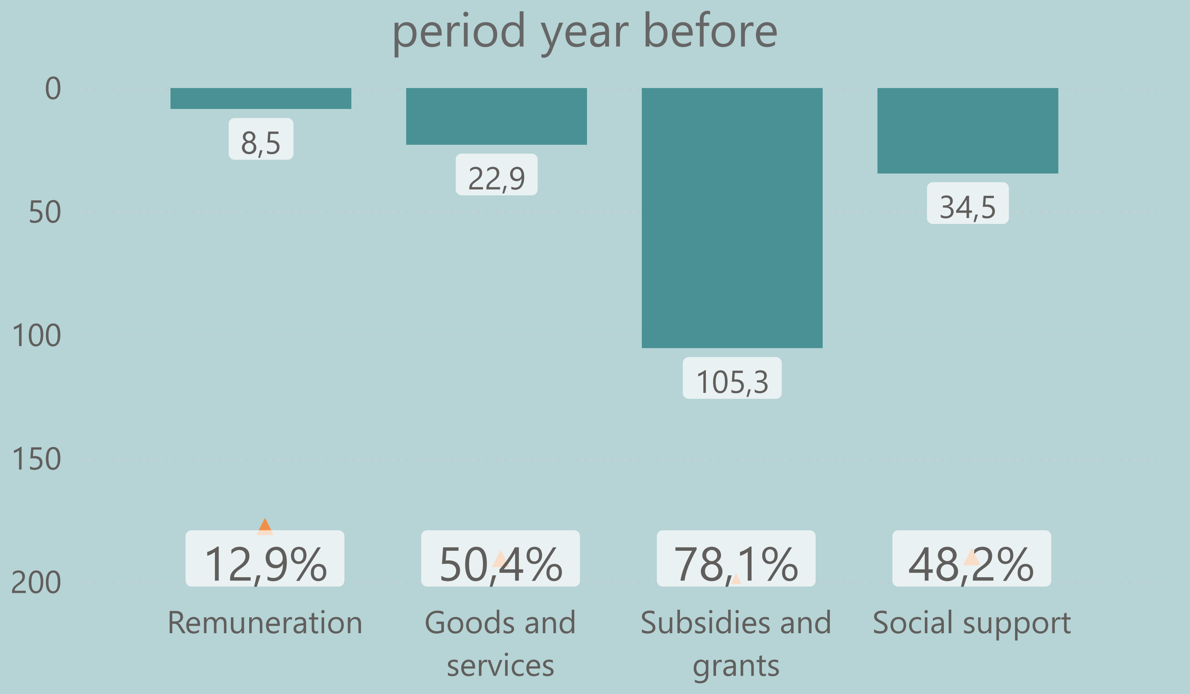
General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue			
Tax revenue	941,8	158,8	20,3%
Non tax revenue	57,3	25,9	82,6%
Self-earned revenue	42,3	8,4	24,7%
Foreign financial assistance	188,7	11,3	6,4%
Expenditure			
Remuneration	148,5	8,1	5,7%
Goods and services	132,1	45,5	52,5%
Interest payments	3,9	-39,6	-91,1%
Subsidies and grants	257,9	106,8	70,7%
Social support	383,5	57,7	17,7%
Payments to EU budget	33,5	-8,5	-20,2%
Capital expenditure	43,7	-10,4	-19,3%

Source: Treasury. General government budget tax revenue including revenue in the single tax account (STA balance in the end of January was -100,5 mln euro).

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	666,7	-46,3	-6,5%
Expenditure	689,2	121,7	21,4%
Balance	-22,6	-168,1	-115,5%

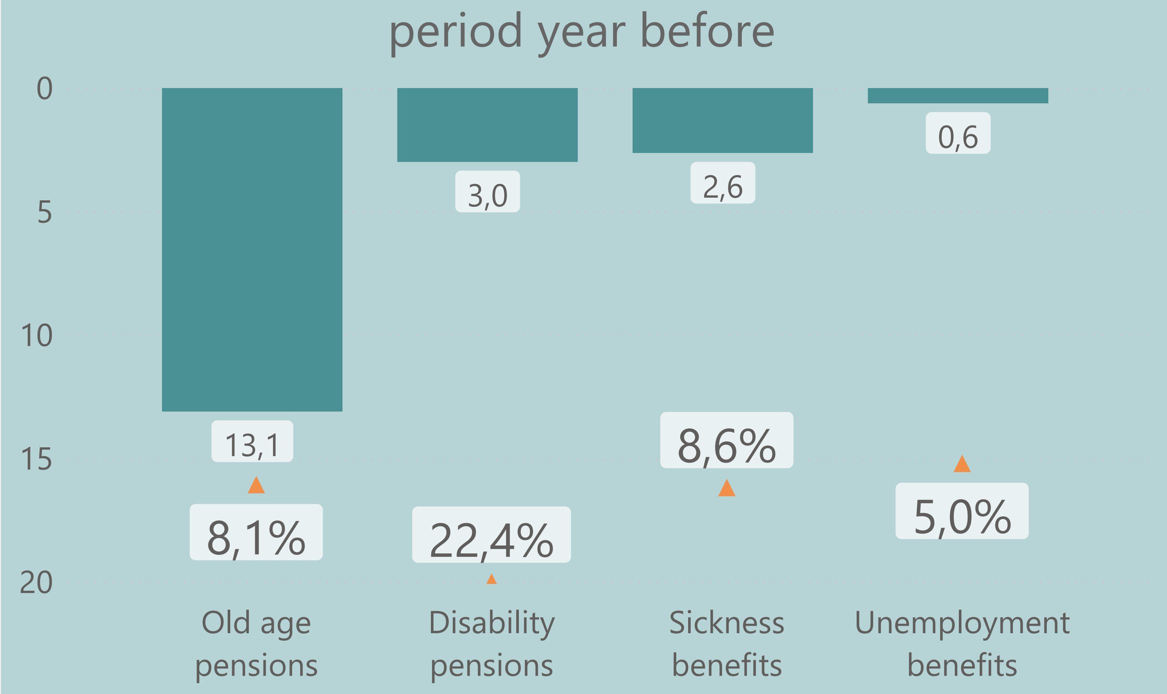
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	373,9	191,7	105,2%
Expenditure	265,4	20,3	8,3%
Balance	108,6	171,4	-272,8%

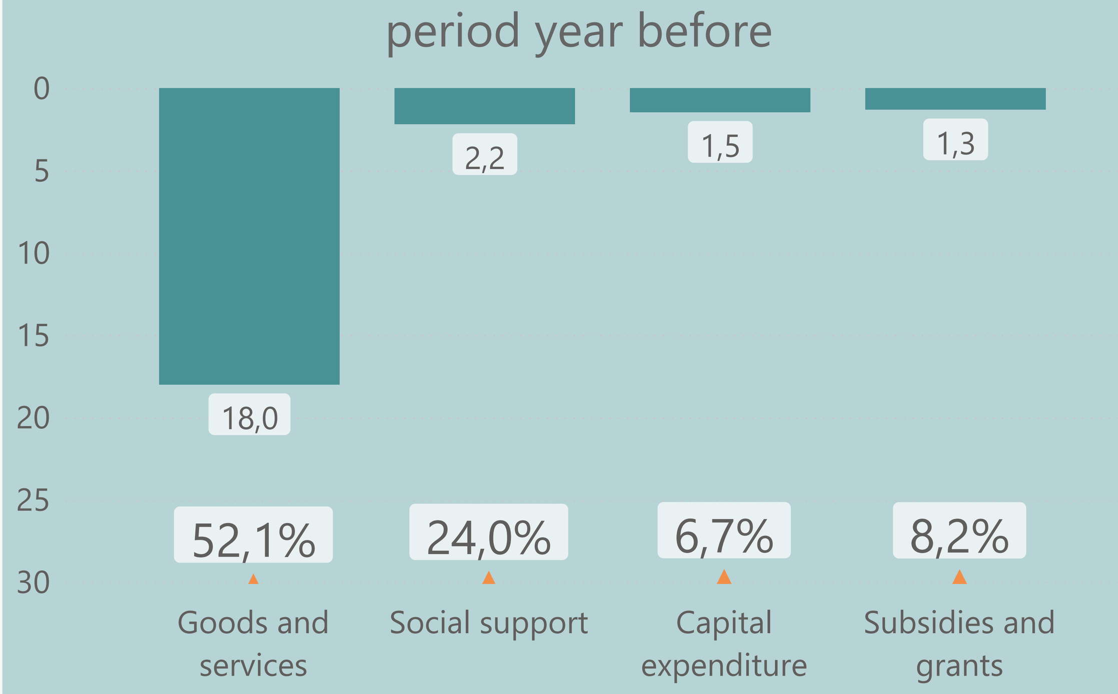
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	281,0	76,5	37,4%
Expenditure	174,6	22,0	14,4%
Balance	106,4	54,6	105,2%

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

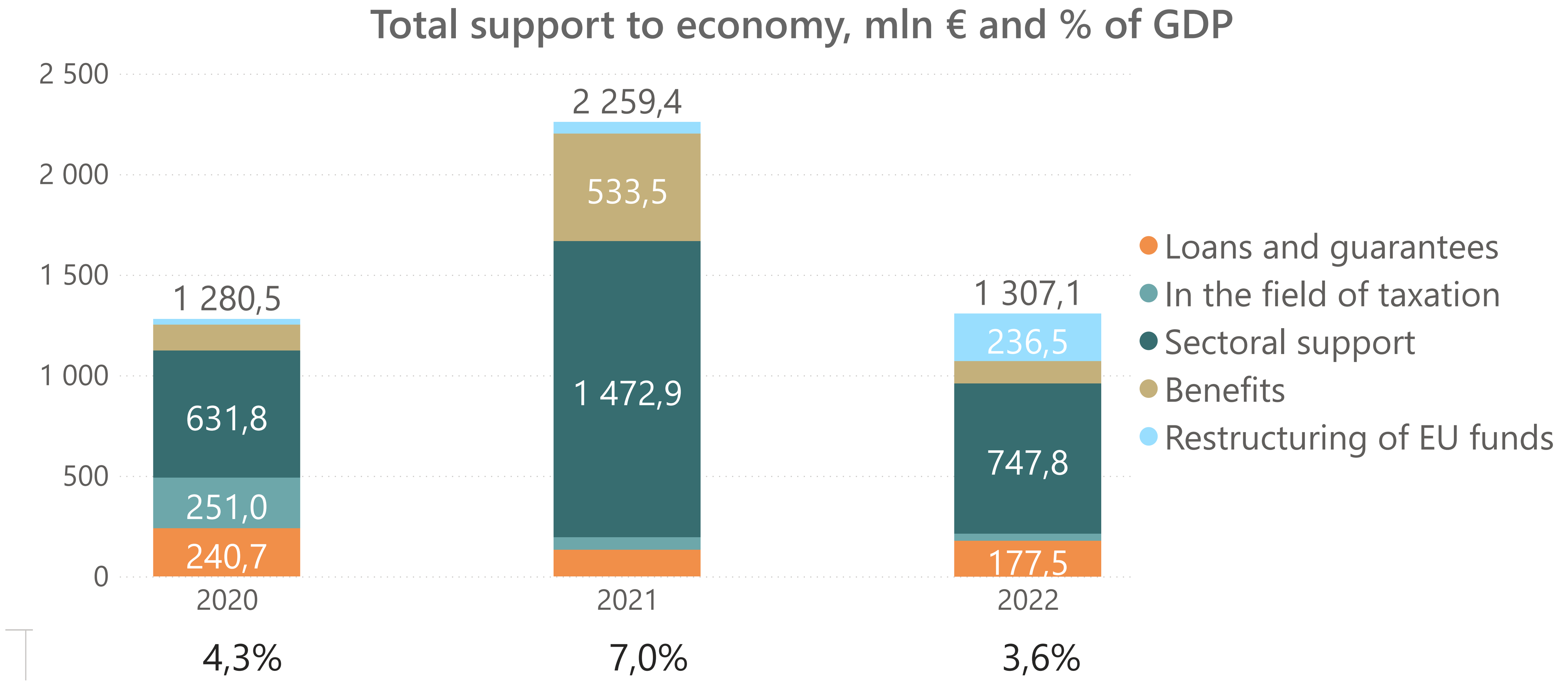


YoY - changes in mln euro against respective period year before

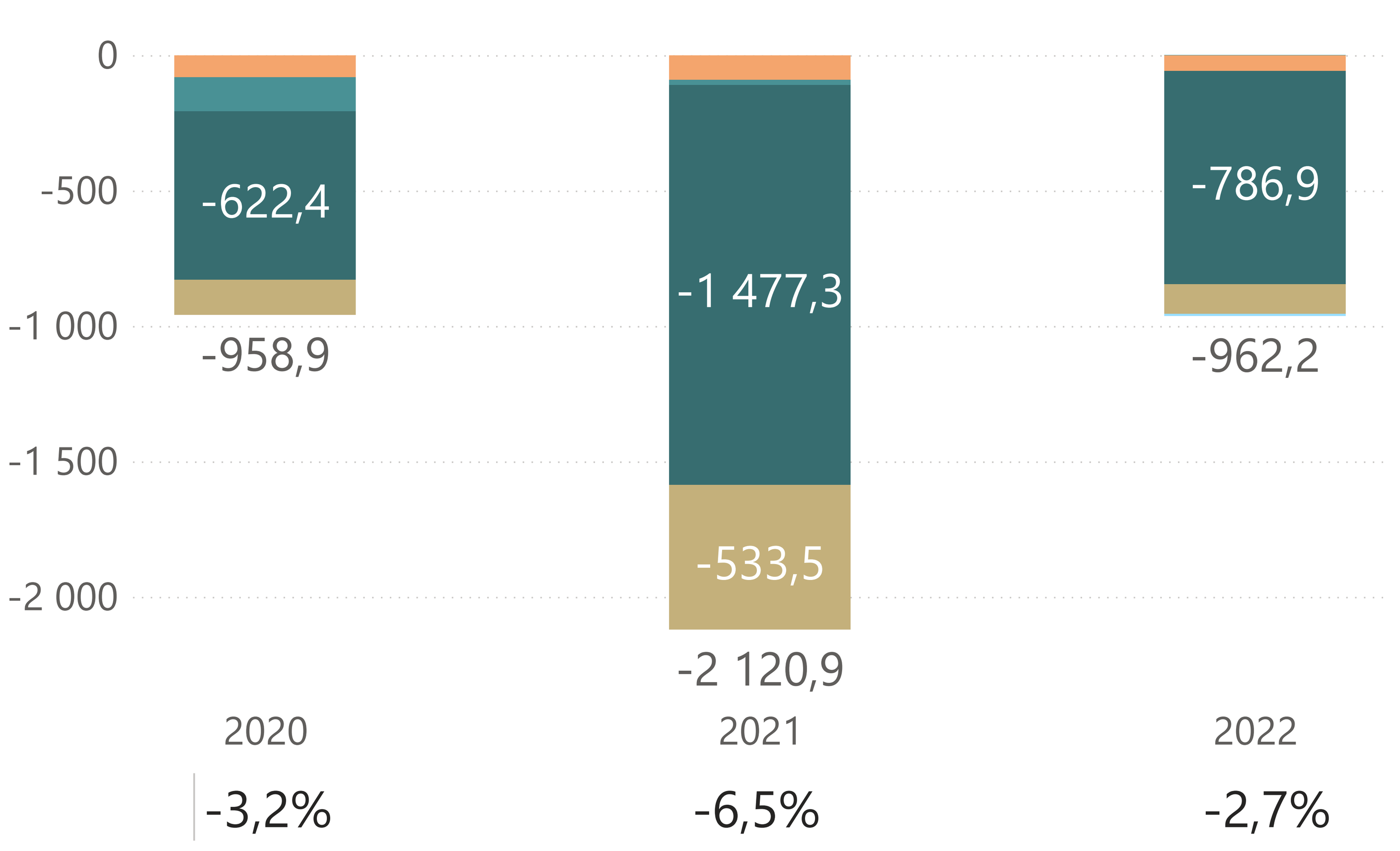
YoY% - changes in per cent against respective period year before

COVID-19 SUPPORT

Total support to economy, mln € and % of GDP



Impact on budget balance, mln € and % of GDP



Source: Assessment of the MoF. Plan for 2022 is according to the government decisions till February 20th, 2022.