

MACROECONOMIC AND BUDGETARY REVIEW 2022

No 8

GROSS DOMESTIC PRODUCT (GDP)

GDP 2021

33 640 mln €

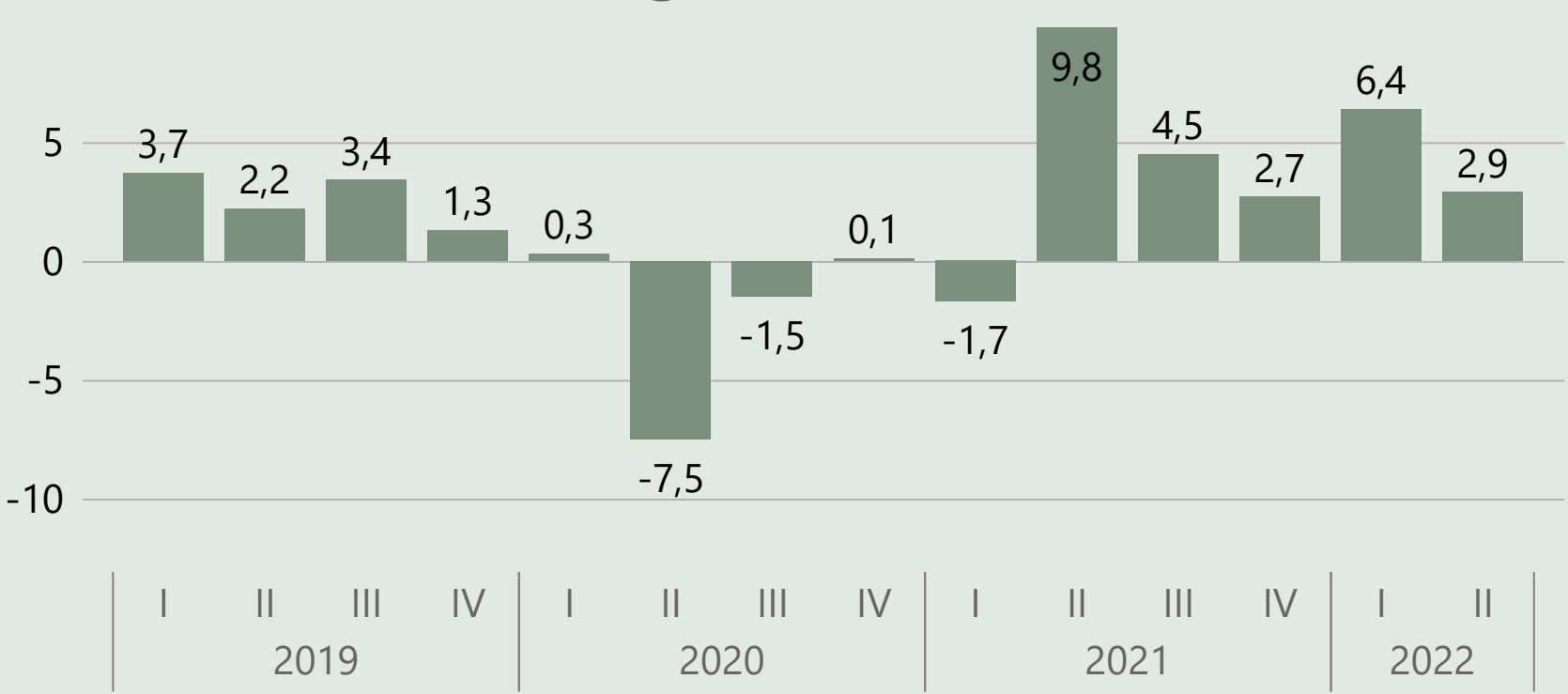
CSB, 30.09.2022.

GDP growth 2022

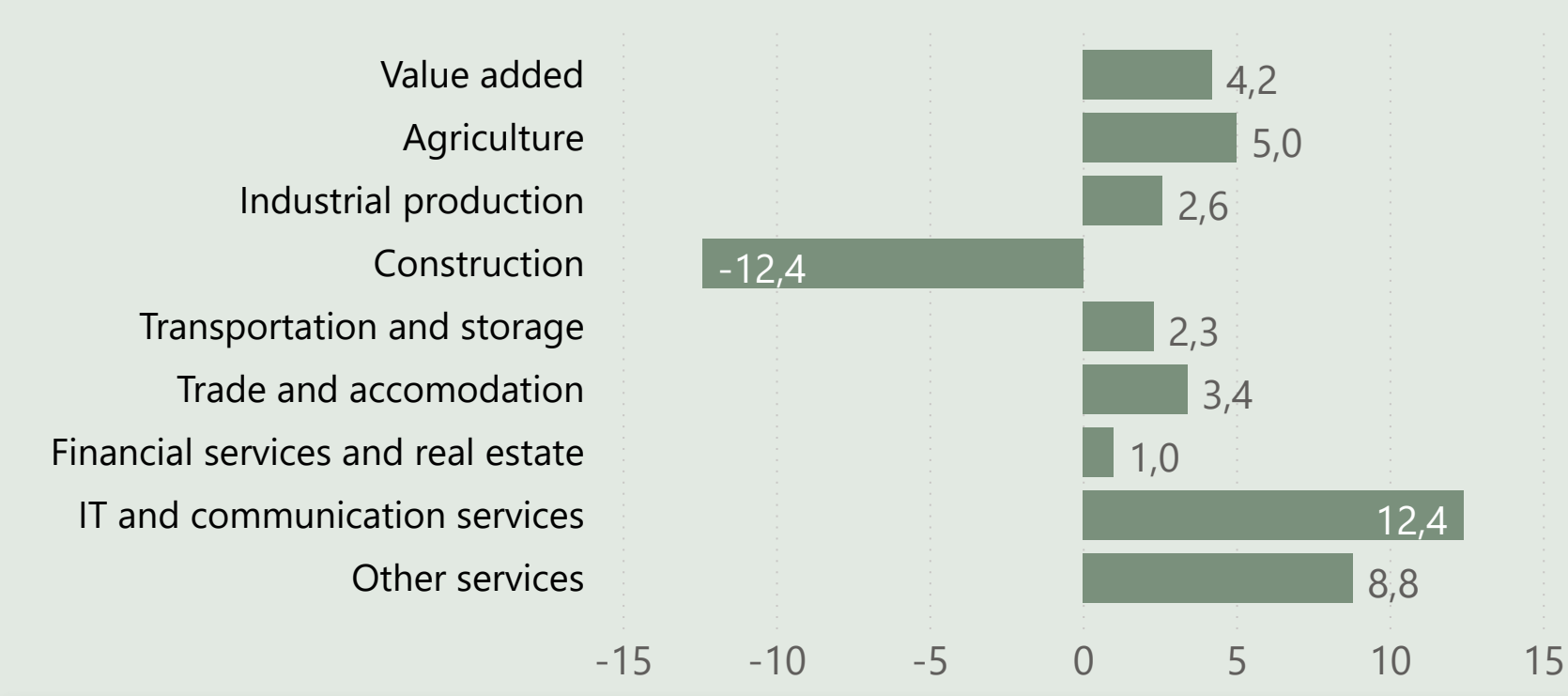
2.8%

MoF forecast, August 2022

GDP growth, YoY%

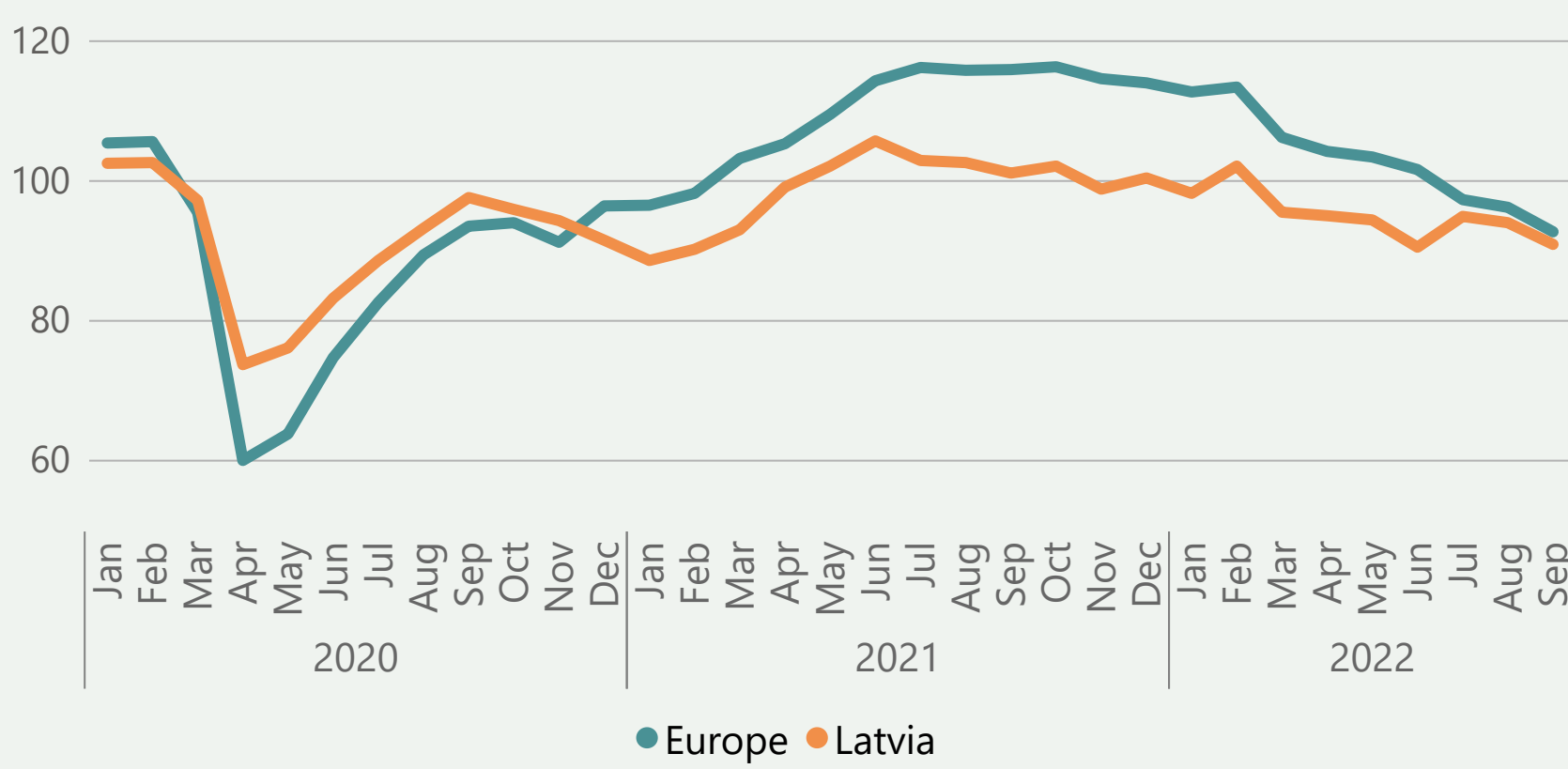


GDP growth by sectoral breakdown (2022 1st Half/2021 1st Half)



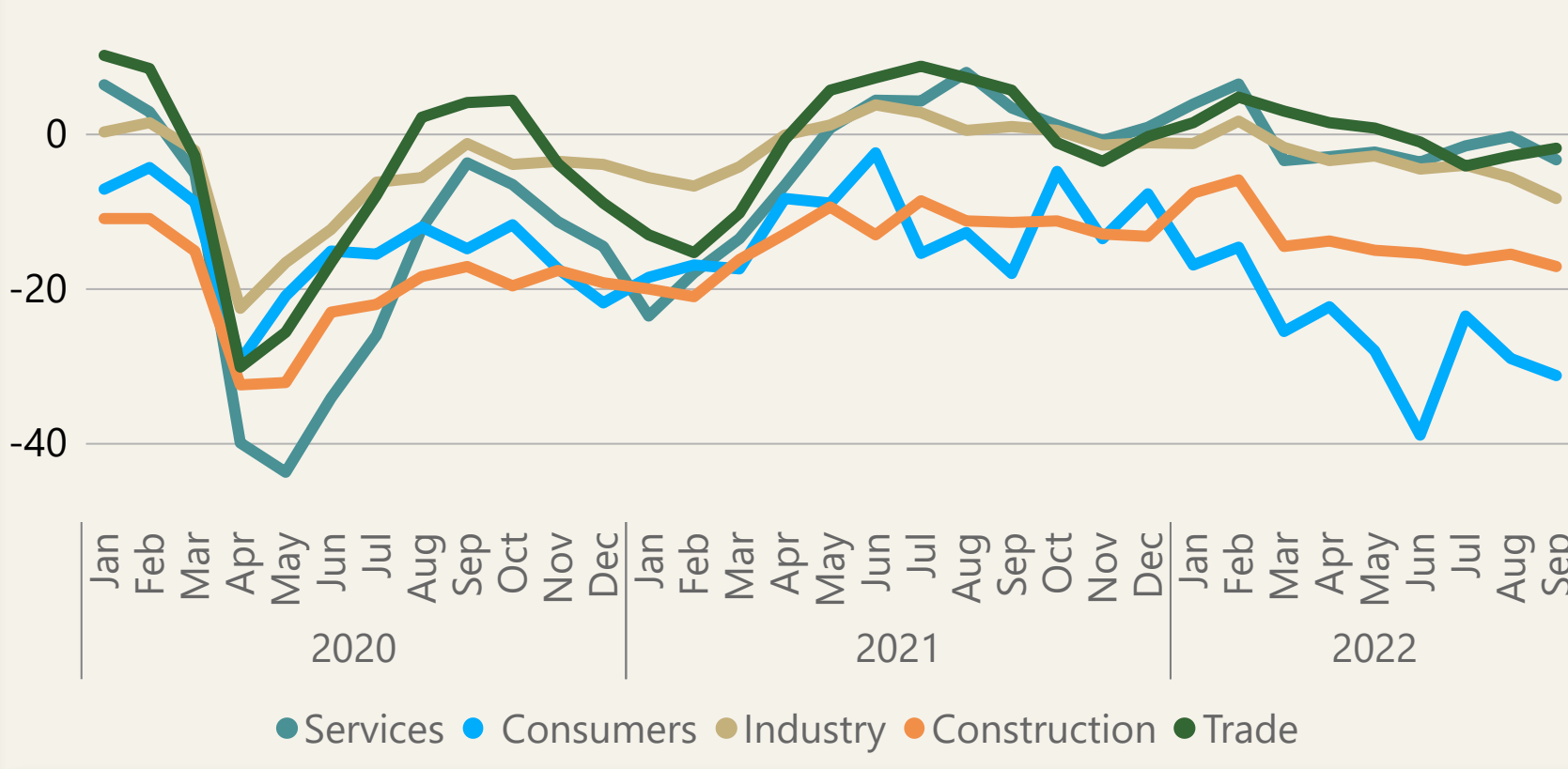
Source: Central Statistical Bureau(CSB)

Economic confidence



Source: European Commission

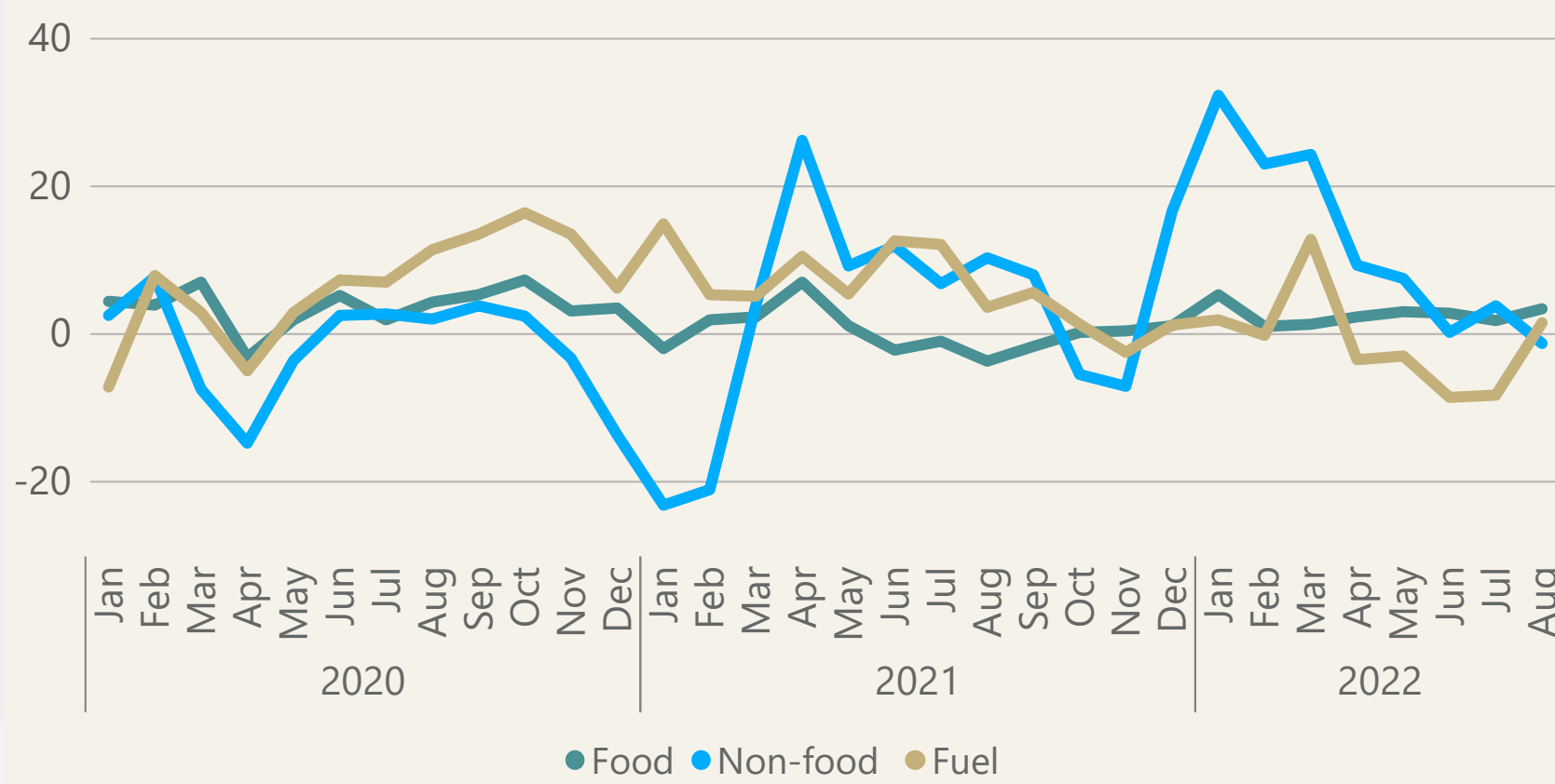
ESI Sector Confidence Index in Latvia



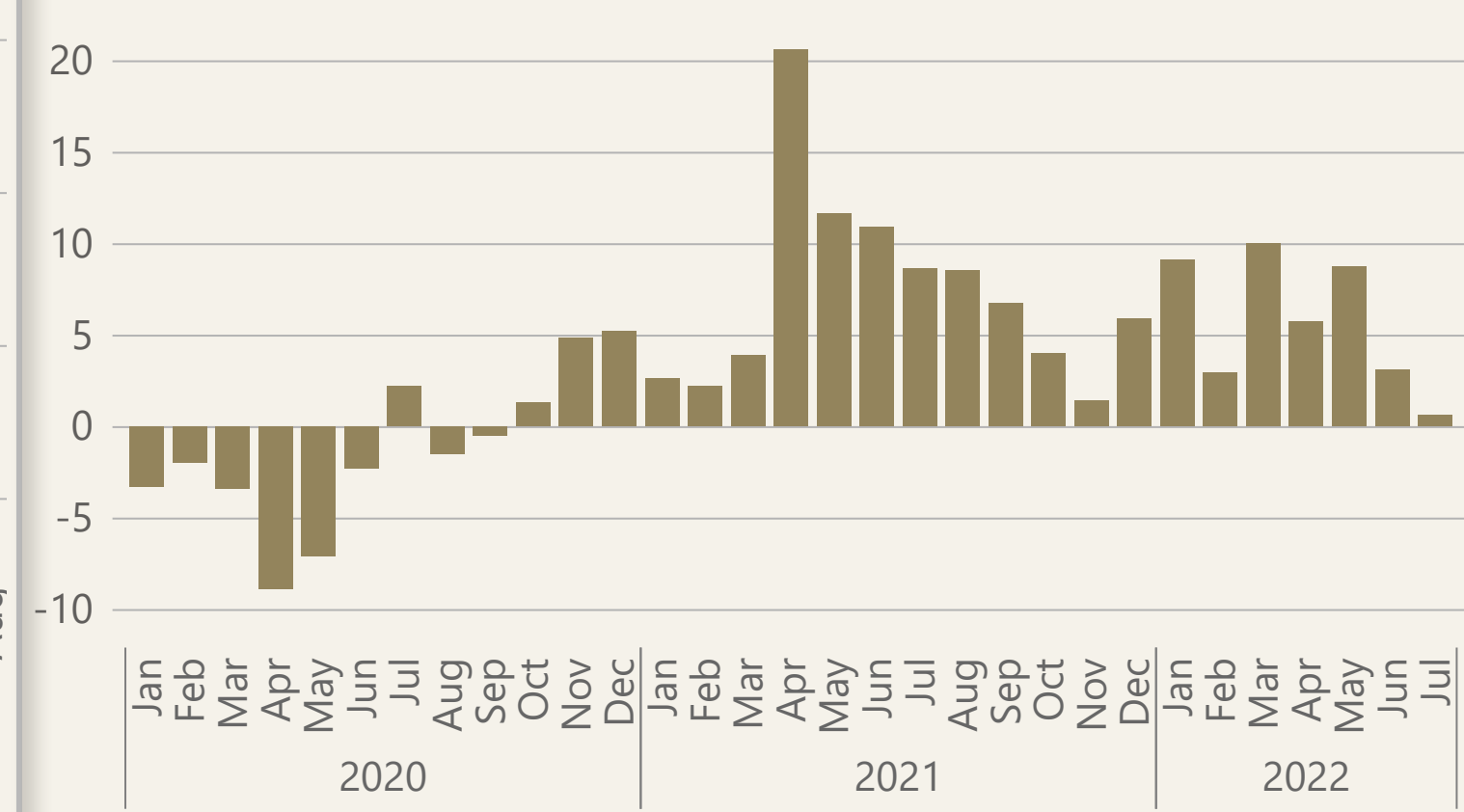
Source: CSB, European Commission

INDUSTRIES

Retail trade growth, YoY%



Manufacturing output, YoY%



INFLATION

Inflation

21,5%

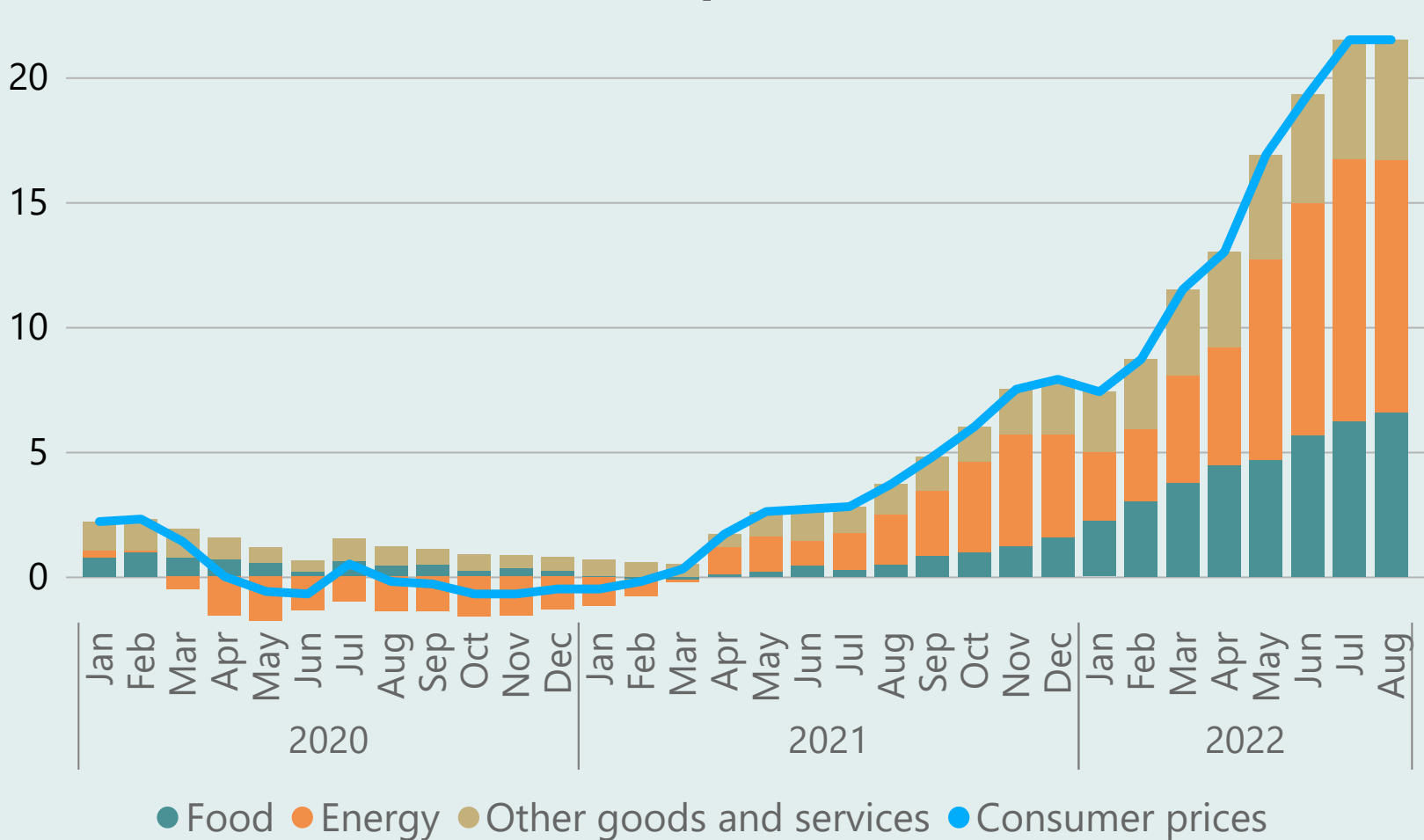
August 2022

Producer price rise

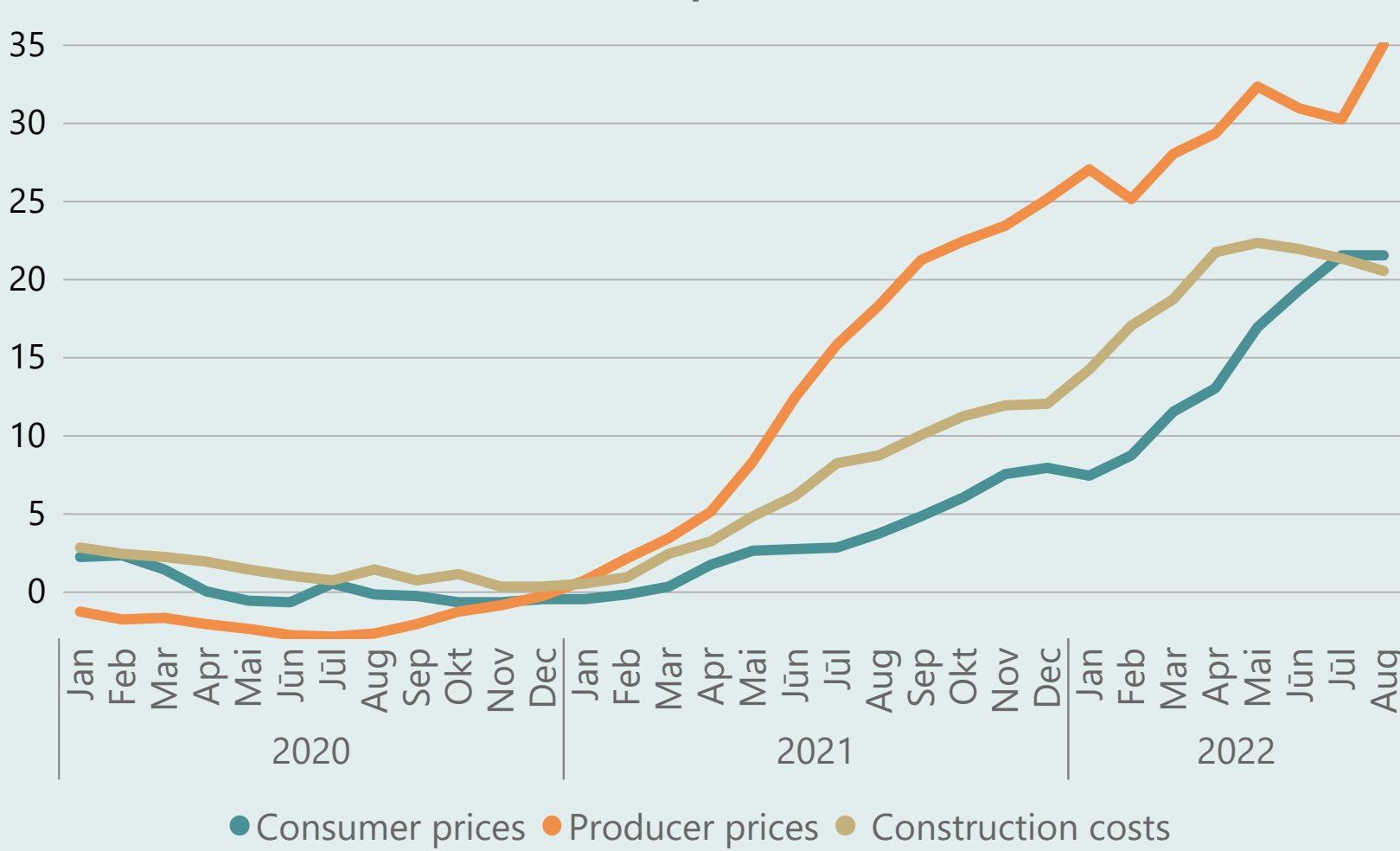
35.0%

August 2022

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

Registered

5.8%

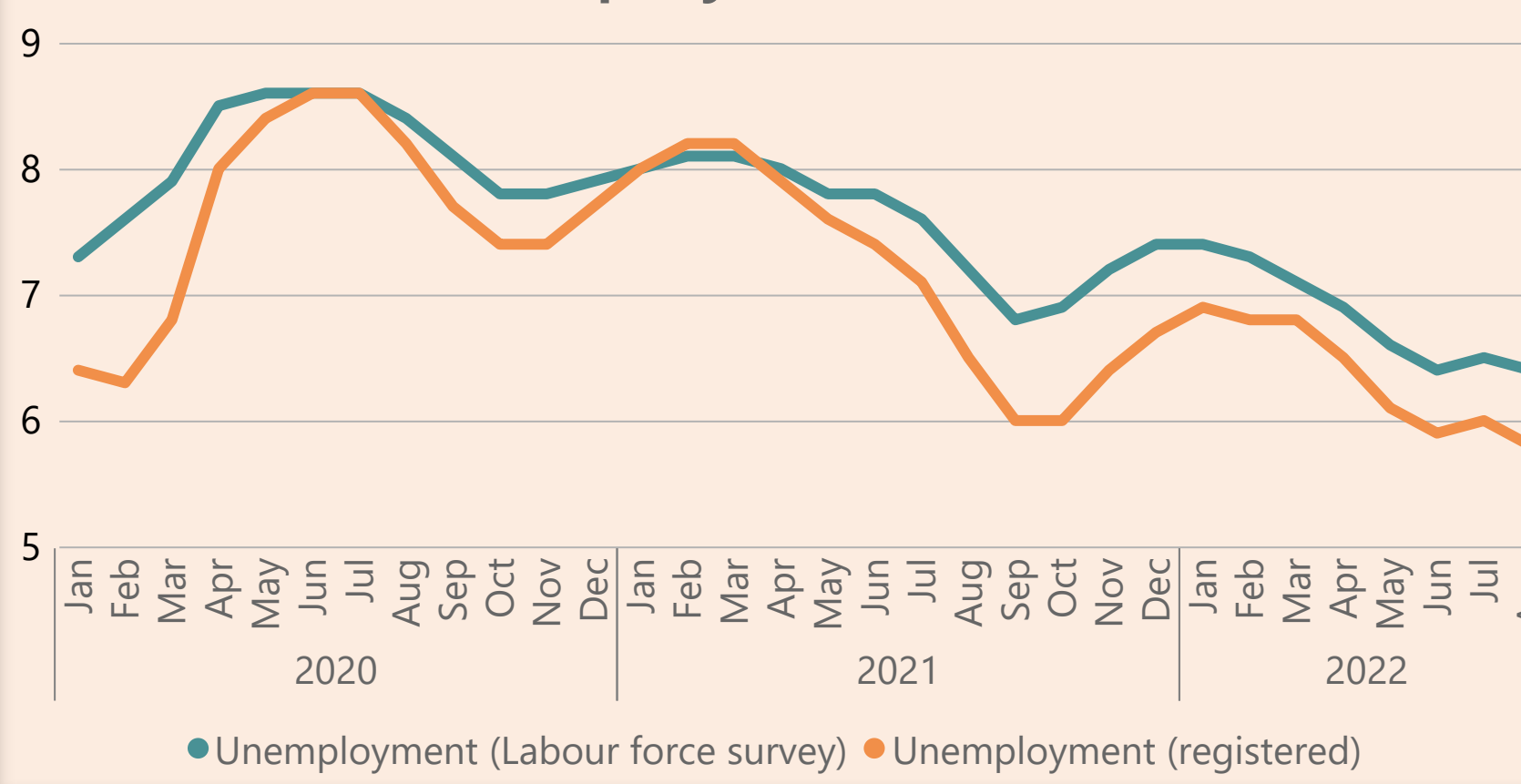
August 2022

Labour force survey

6.4%

August 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

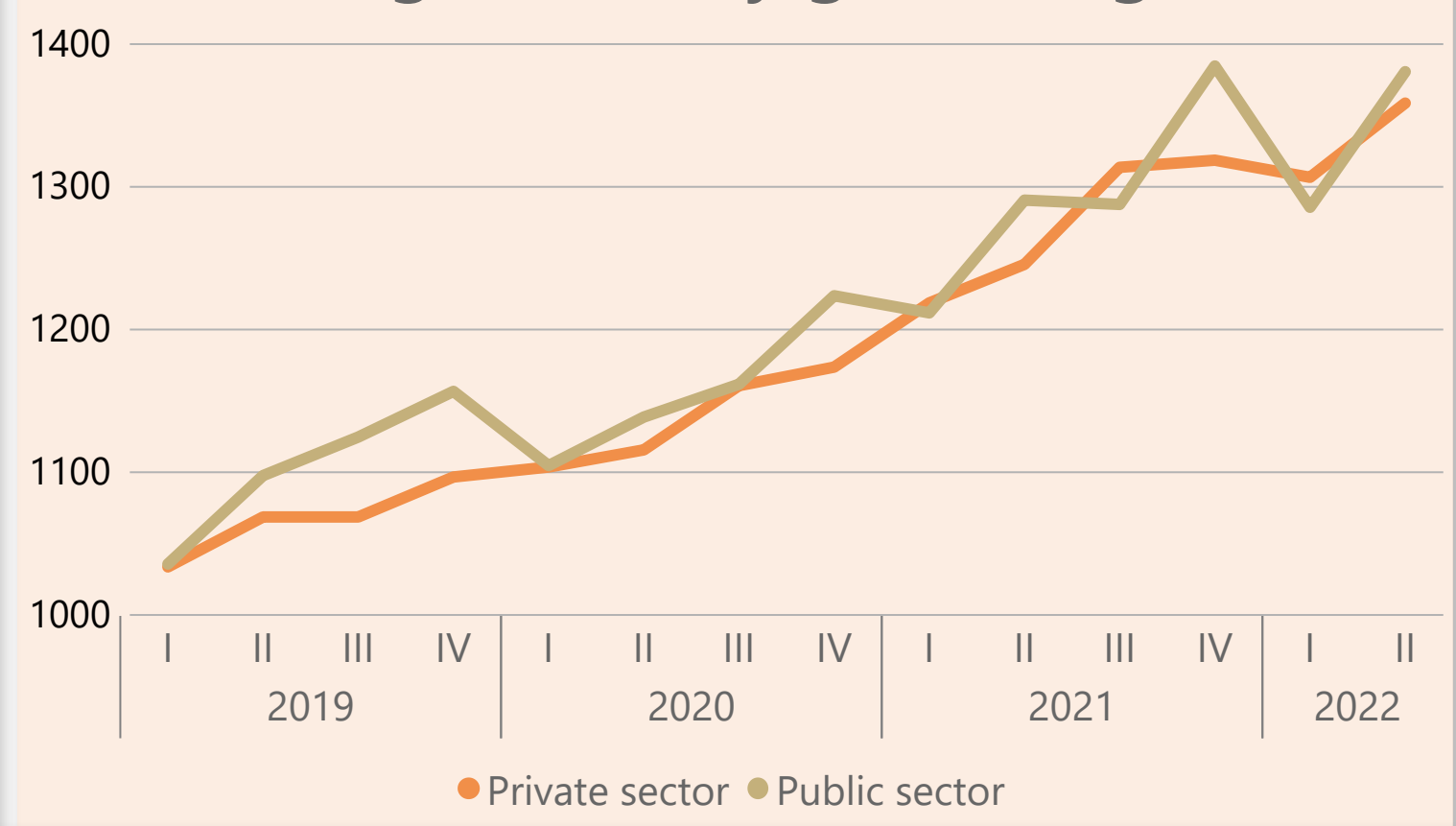
Total

1 362€

(+8.3% YoY)

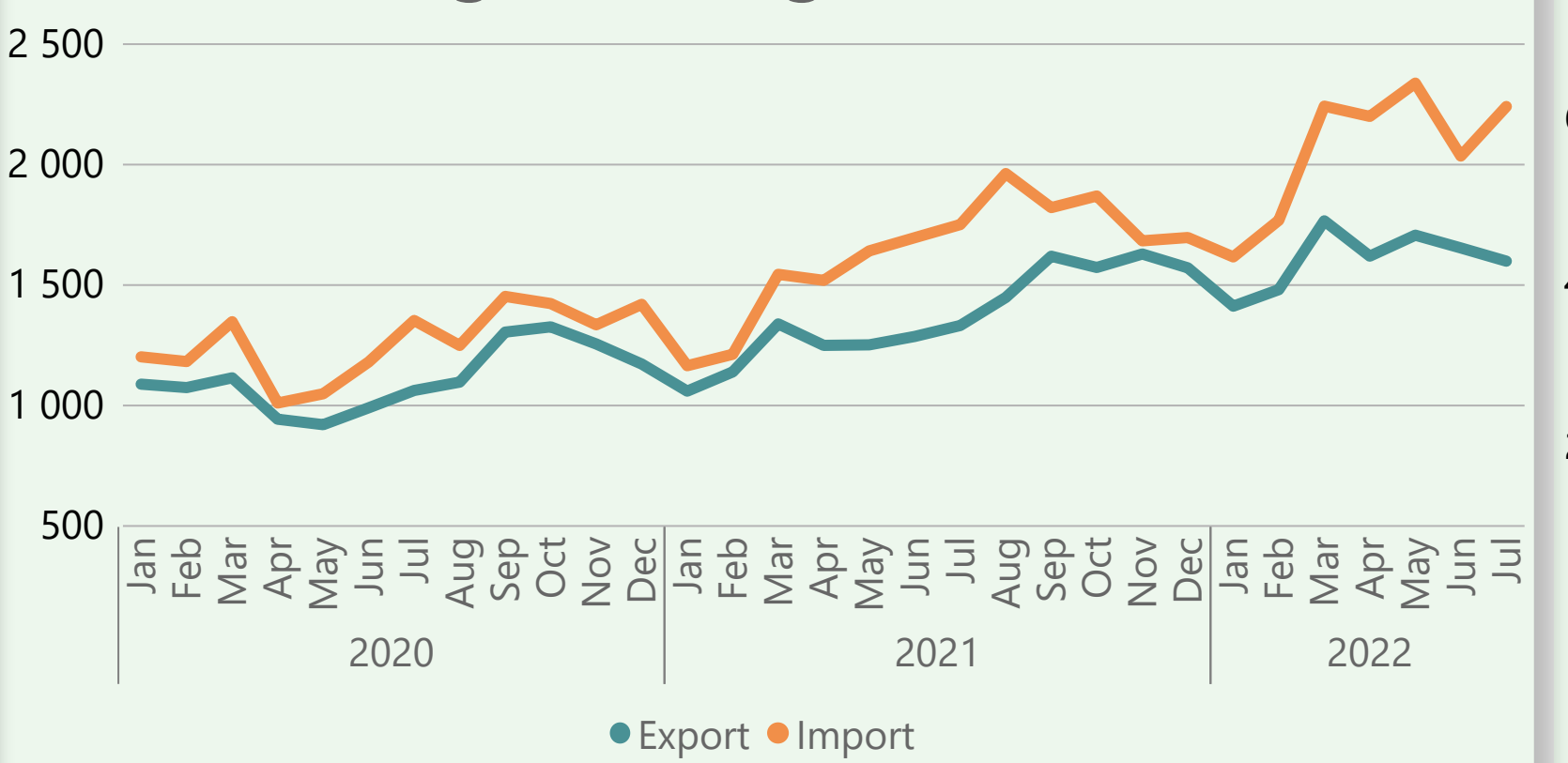
2Q 2022

Average monthly gross wage, €



FOREIGN TRADE

Foreign trade (goods), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance

2022

-6,5% of GDP

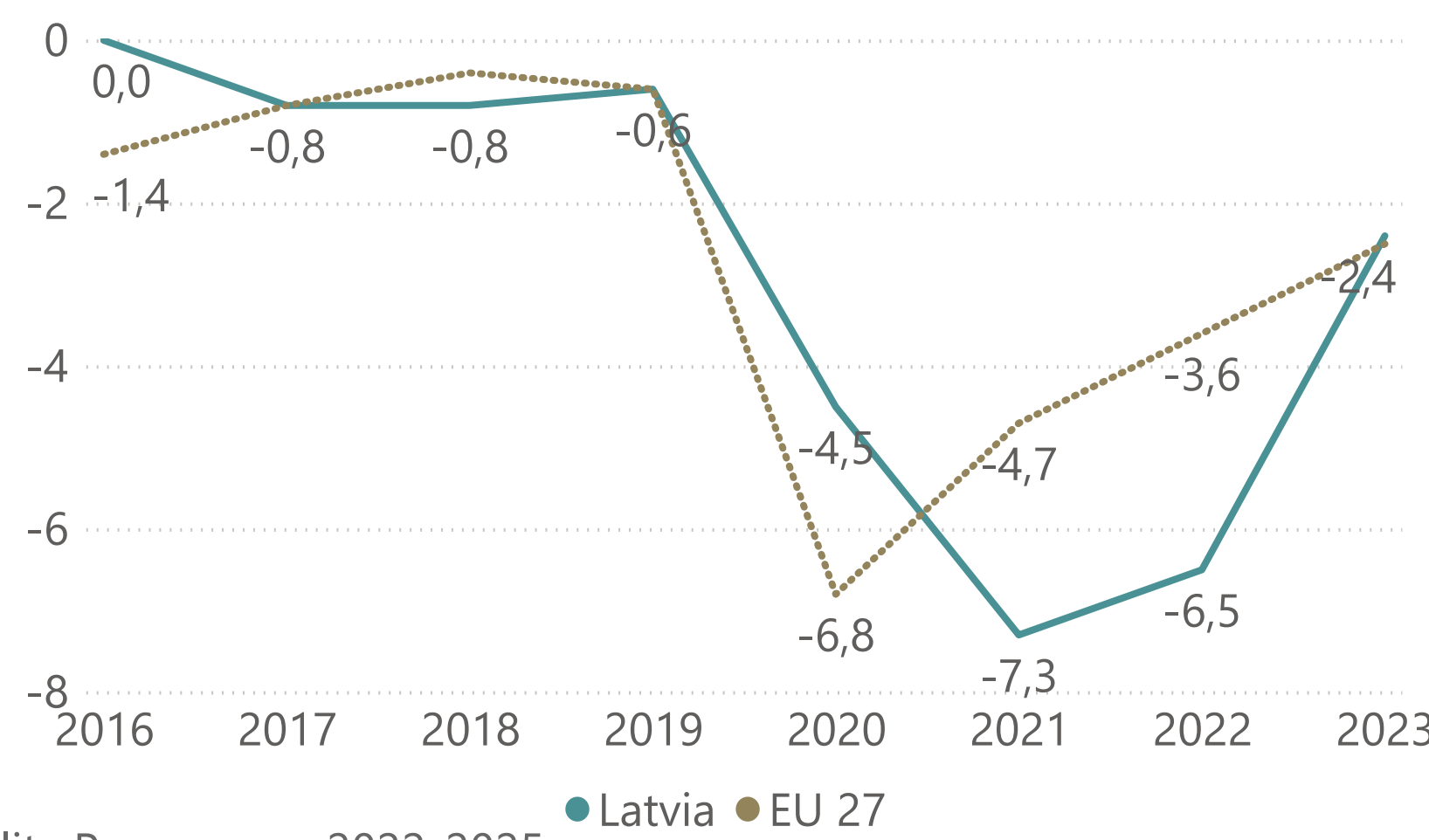
Forecast of MoF, SP 2022-2025

General government debt 2022

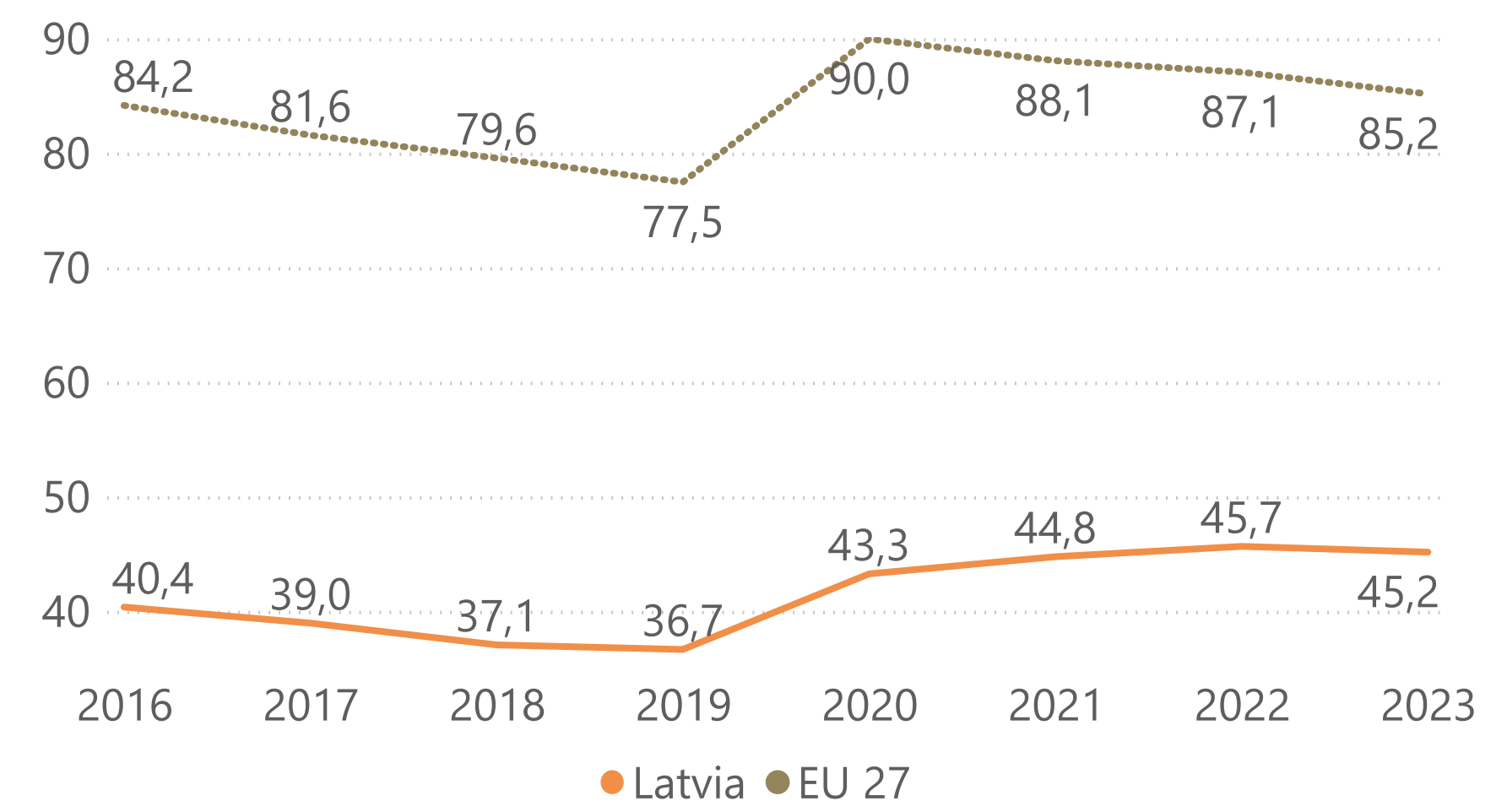
45,7% of GDP

Forecast of State Treasury, SP 2022-2025

General government budget balance, % of GDP



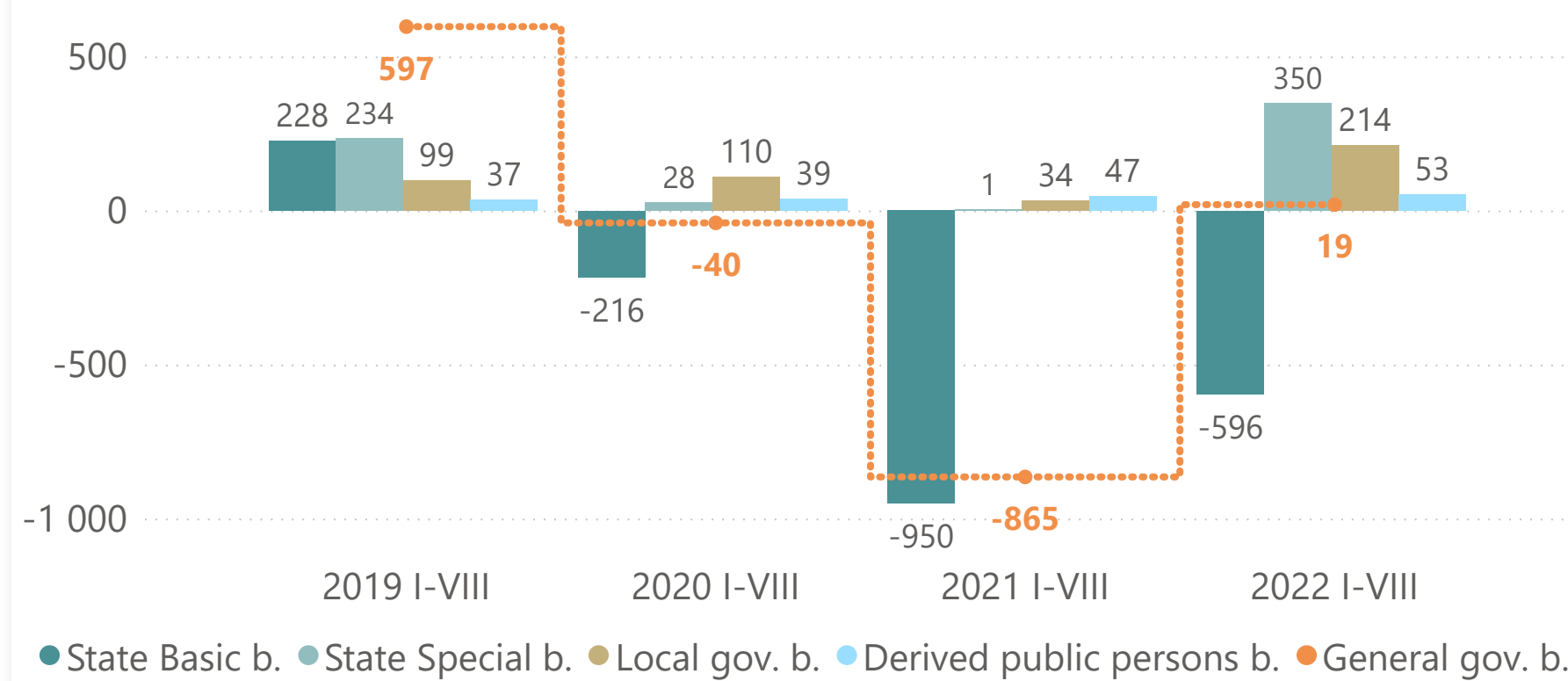
General government debt, % of GDP



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

GENERAL GOVERNMENT BUDGET IN JANUARY - AUGUST 2022 ON CASH BASIS

General government budget balance, mln €



General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	9 224,4	1 024,3	12,5%
Expenditure	9 205,3	140,4	1,5%
Balance	19,1	883,8	

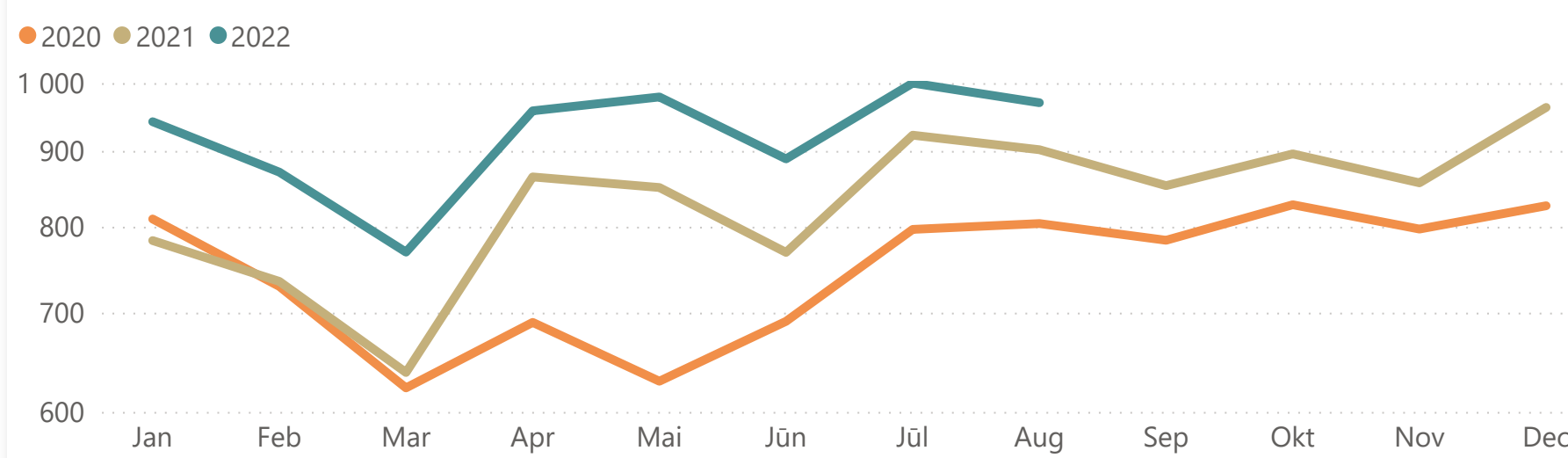
General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	2 423,5	493,0	25,5%
VAT	2 247,5	387,3	20,8%
PIT	1 436,8	336,3	30,6%
EXCISE	744,1	19,9	2,7%
CIT	271,6	48,3	21,6%

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, mln €

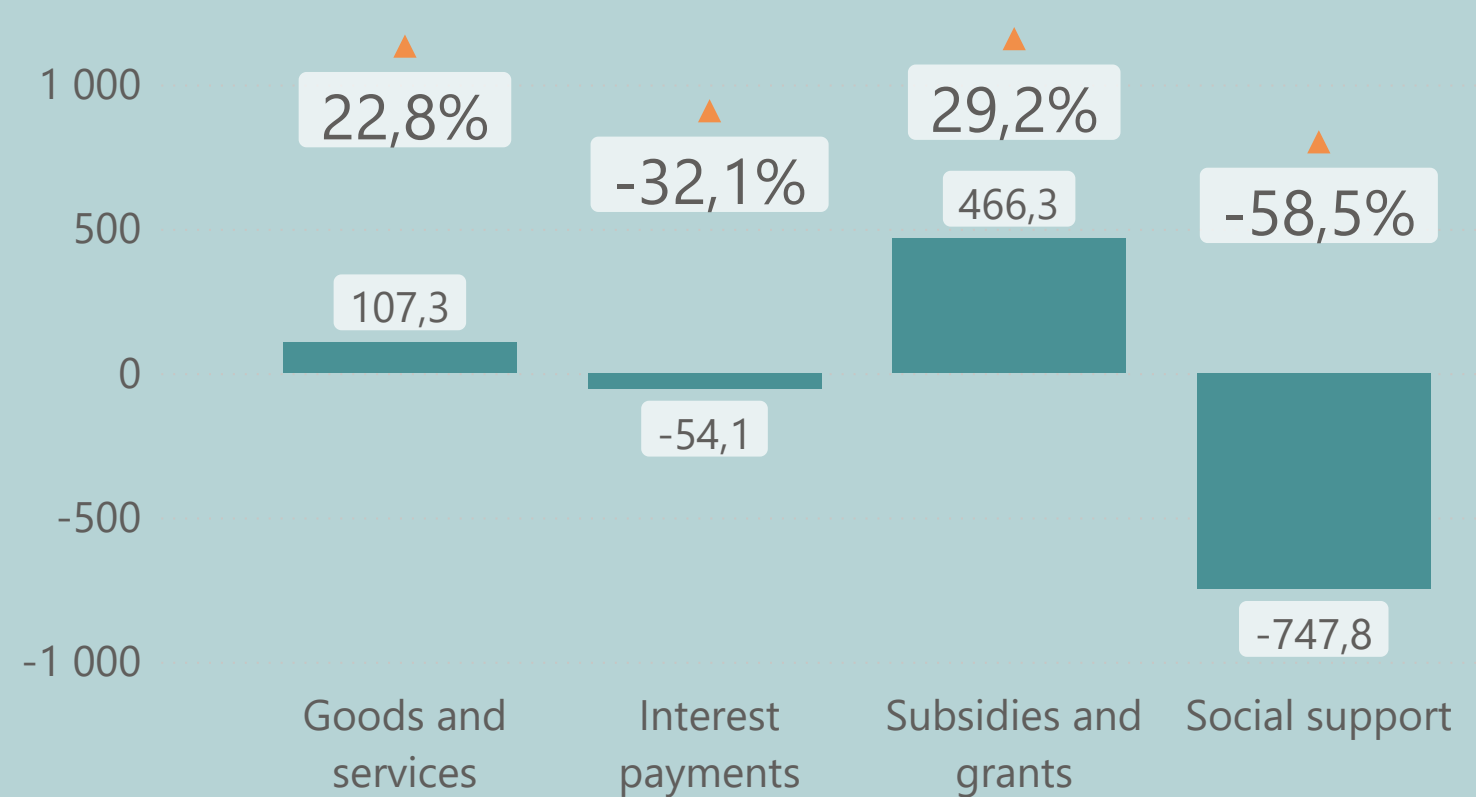


Source: Treasury. General government budget tax revenue in January-July 2022 including revenue in the single tax account -93.8 mln euro.

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	5 292,4	289,5	5,8%
Expenditure	5 888,5	-64,9	-1,1%
Balance	-596,1	354,4	

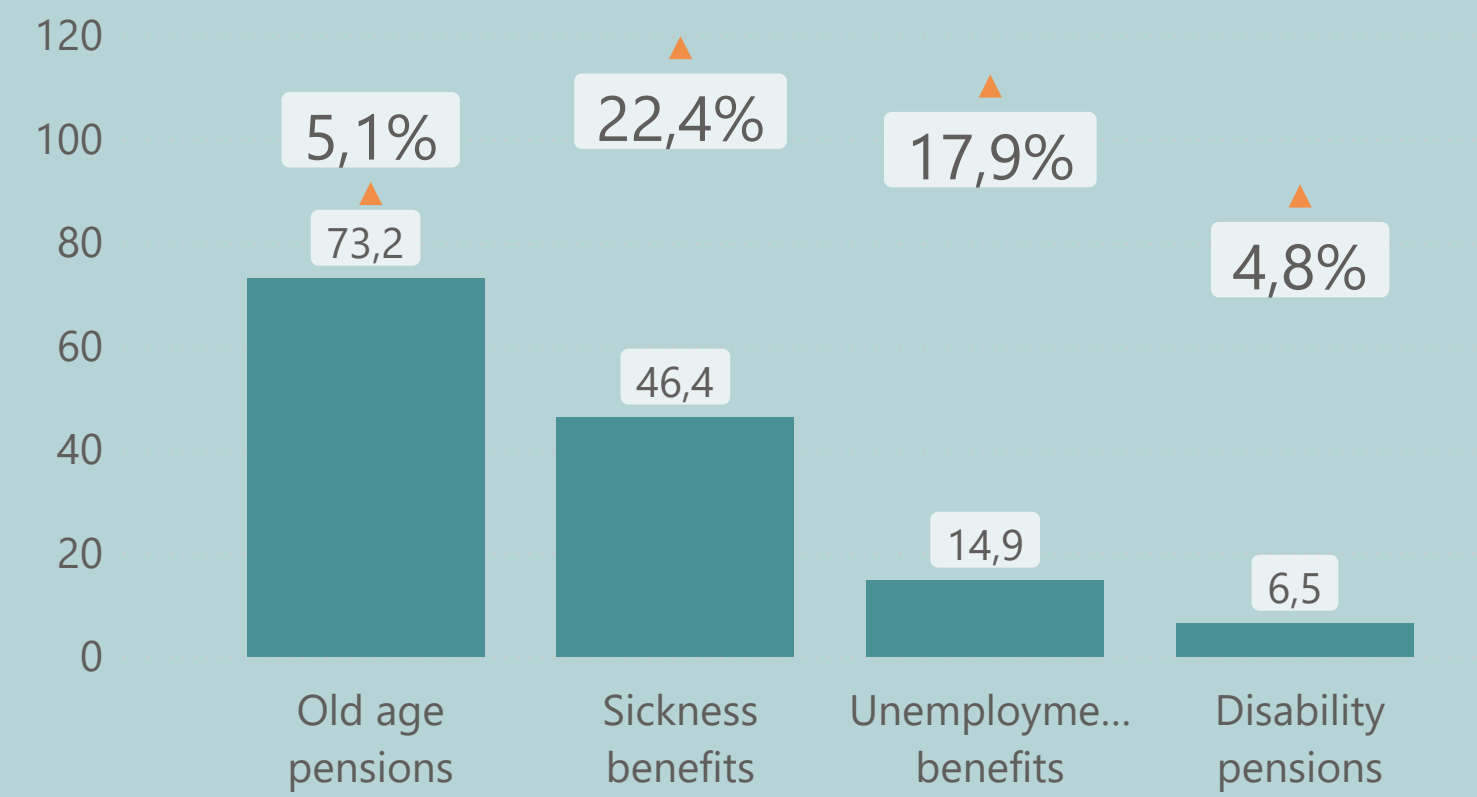
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 619,3	502,8	23,8%
Expenditure	2 269,0	153,8	7,3%
Balance	350,4	349,0	

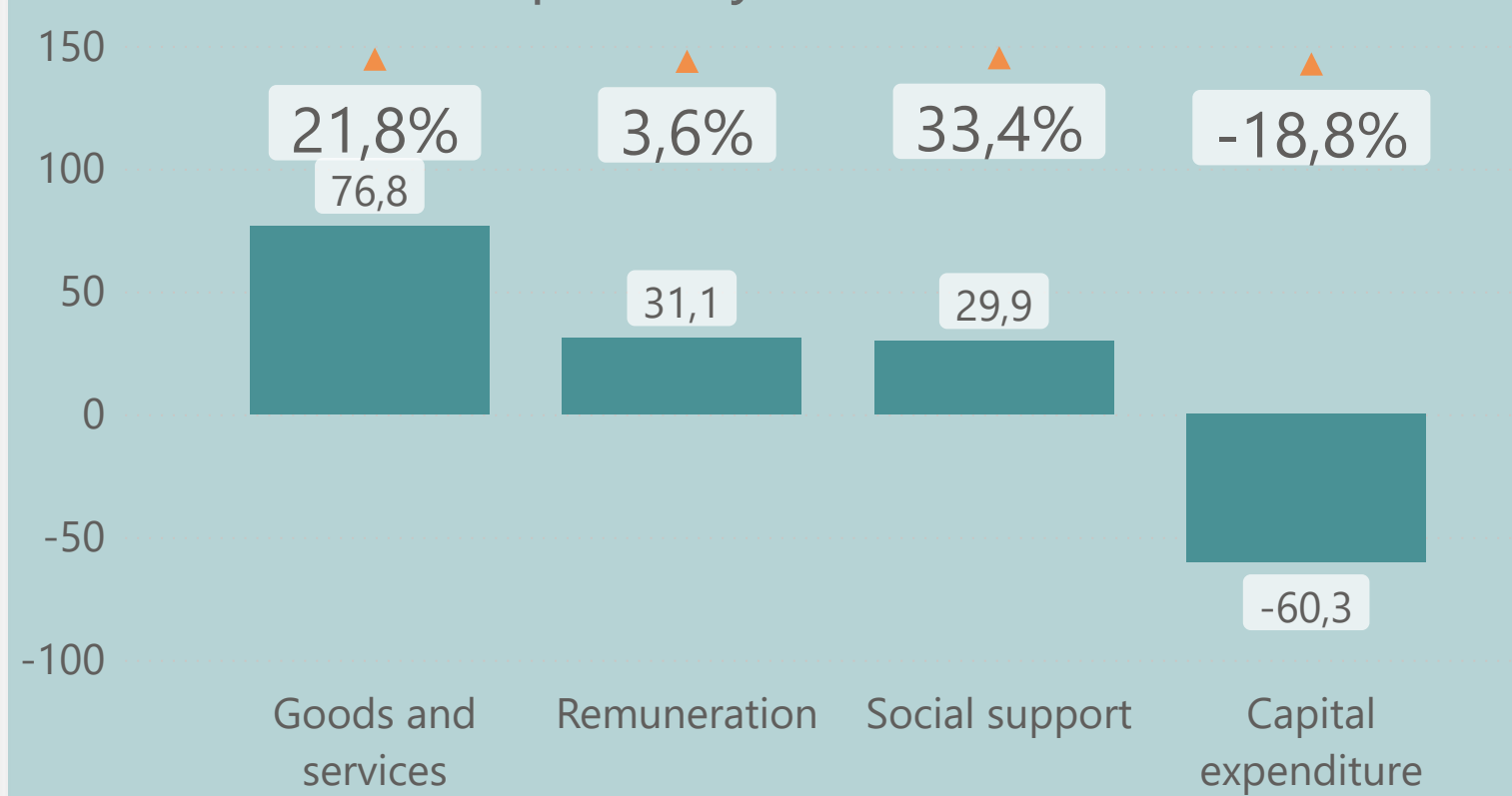
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 106,9	264,0	14,3%
Expenditure	1 893,3	84,0	4,6%
Balance	213,6	180,0	

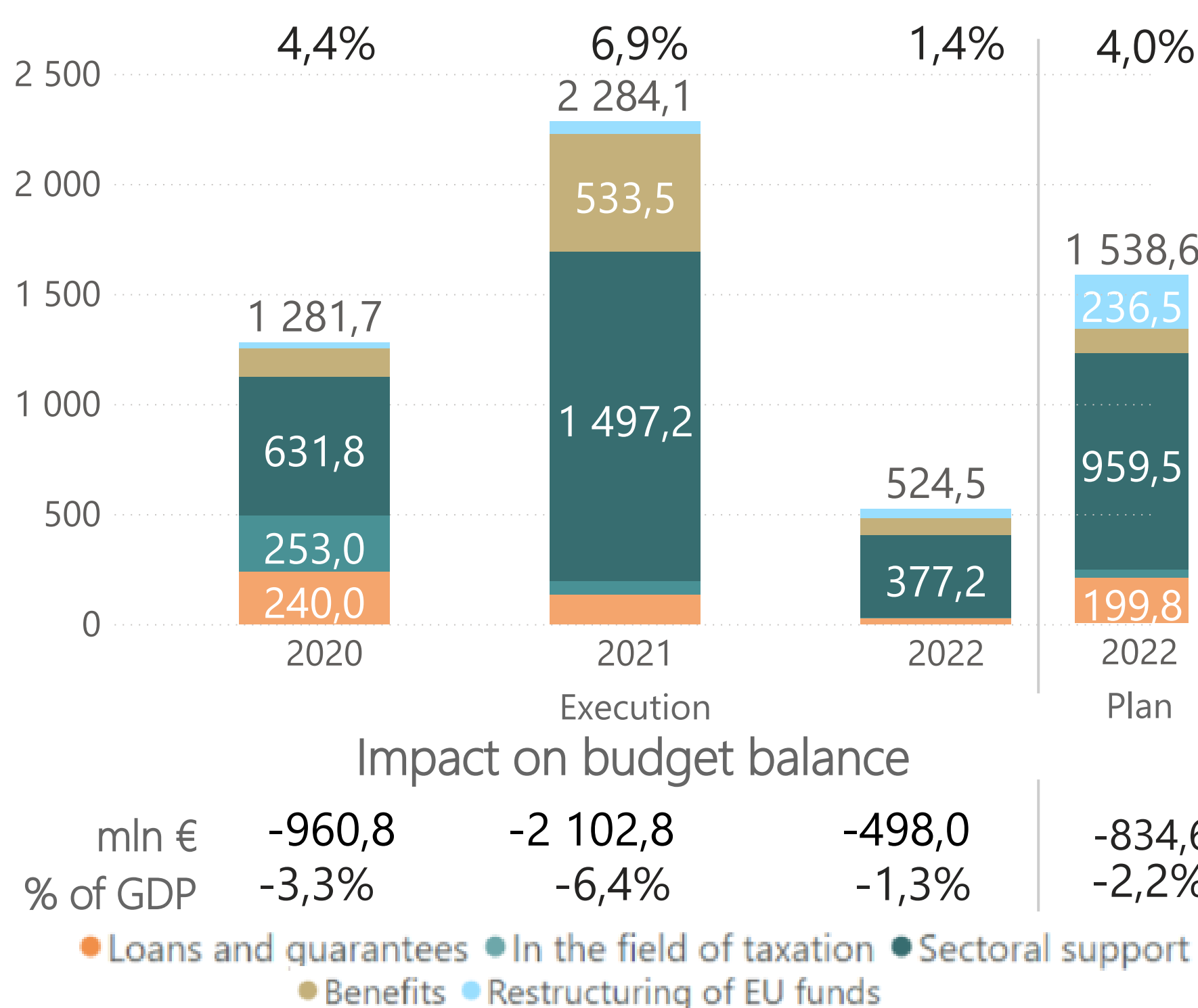
Major changes in mln € and % against respective period year before



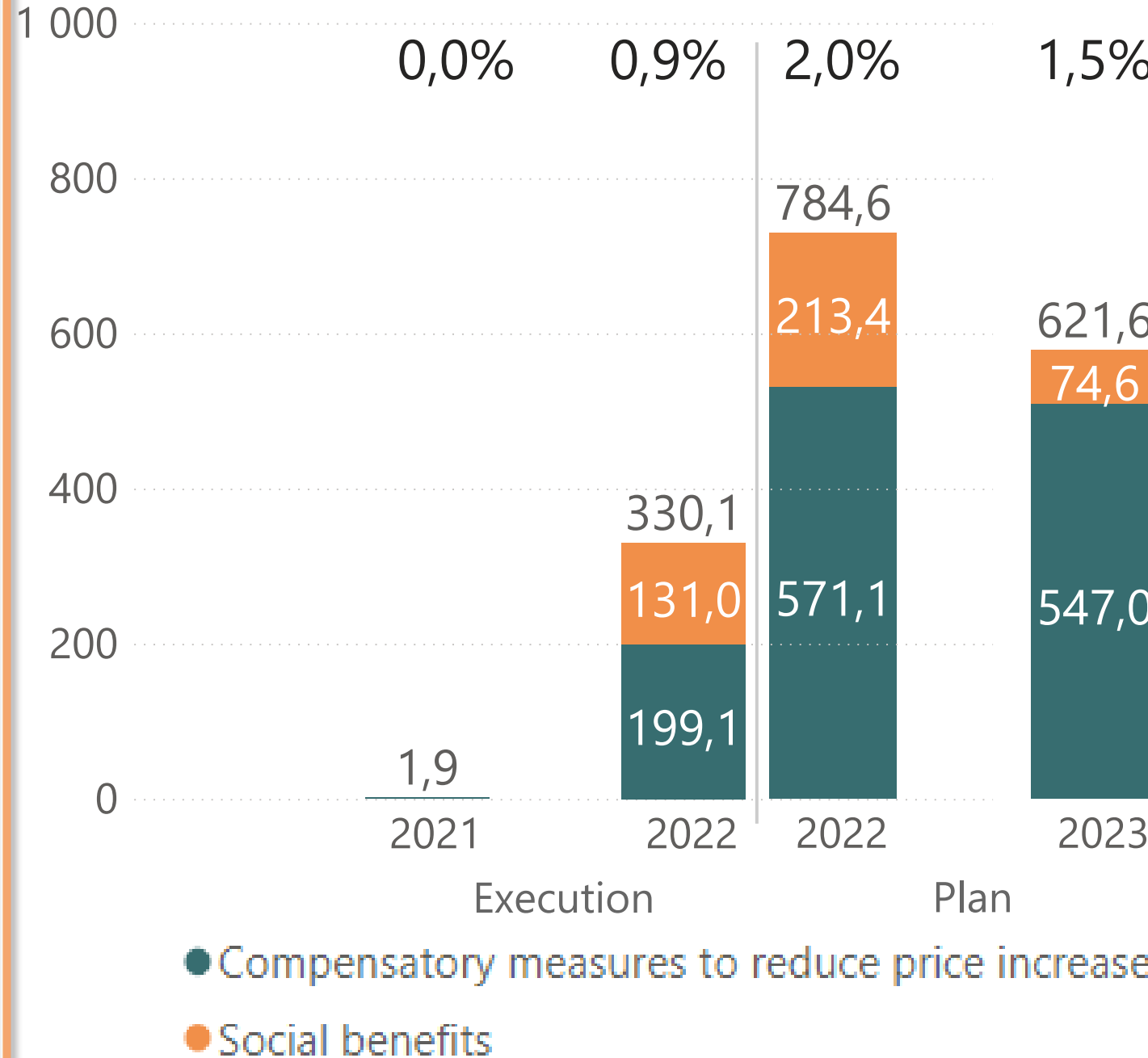
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

CRISIS SUPPORT MEASURES

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



Energy support measures, mln € and % of GDP



Support to Ukrainien citizens, mln € and % of GDP



Source: Plan according to the government decisions till September 27,2022. Execution according data from the State Treasury, State Revenue Service, ALTUM, etc. till August 31, 2022.