

MACROECONOMIC AND BUDGETARY REVIEW 2022

No 10

GROSS DOMESTIC PRODUCT (GDP)

GDP 2021

33 696 mln €

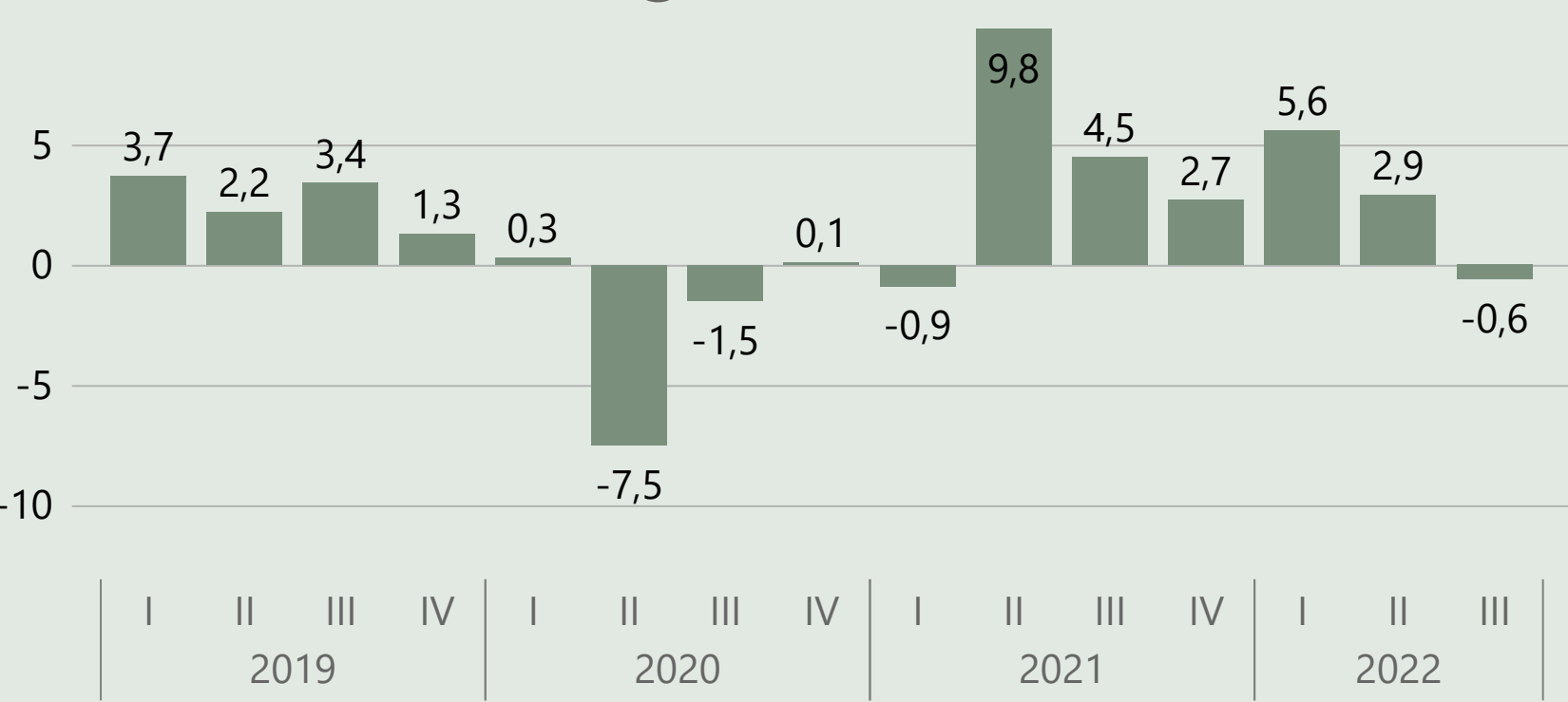
CSB, 20.10.2022.

GDP growth 2022

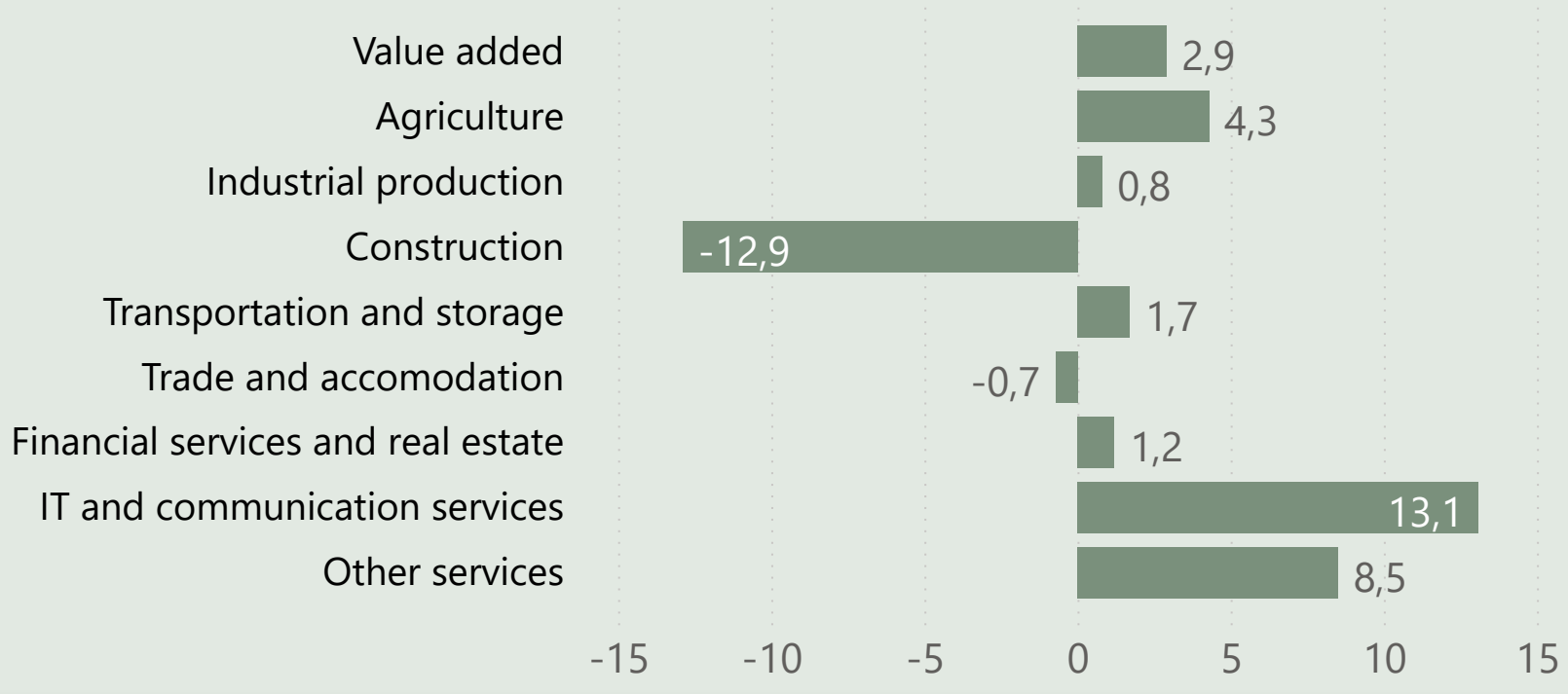
1.6%

MoF forecast, December 2022

GDP growth, YoY%

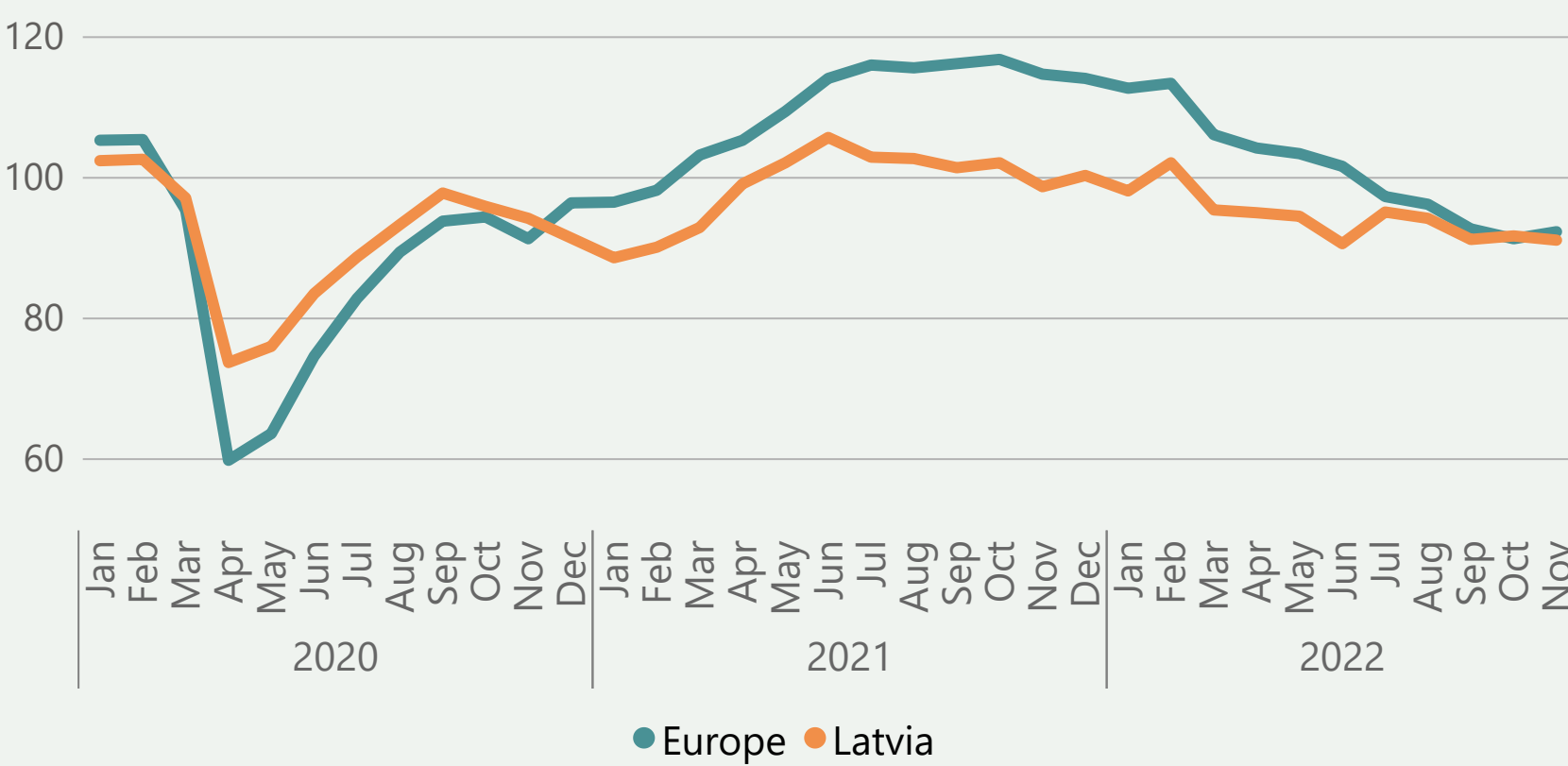


GDP growth by sectoral breakdown (2022 nine months/2021 nine months)



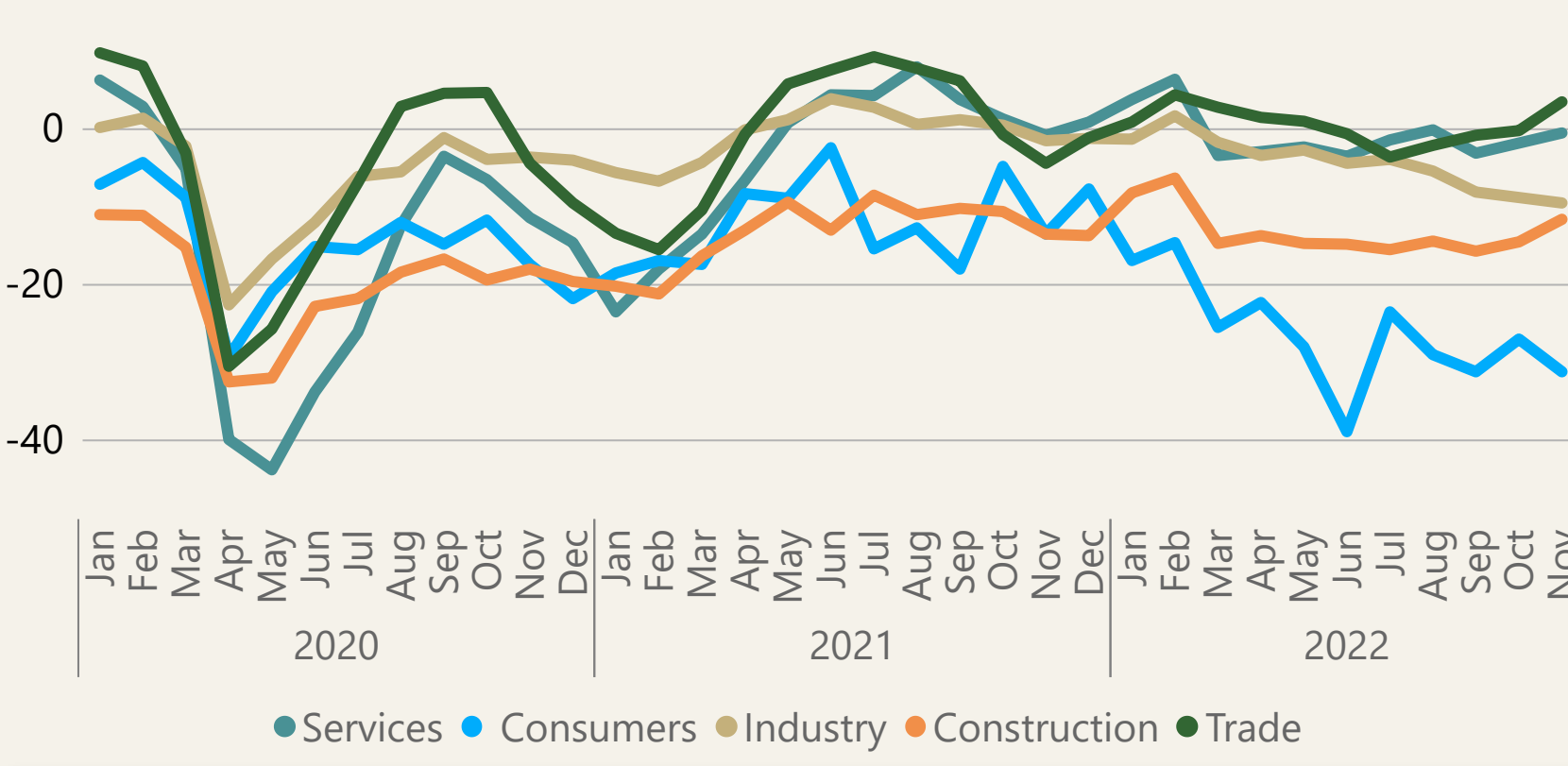
Source: Central Statistical Bureau(CSB)

Economic confidence



Source: European Commission

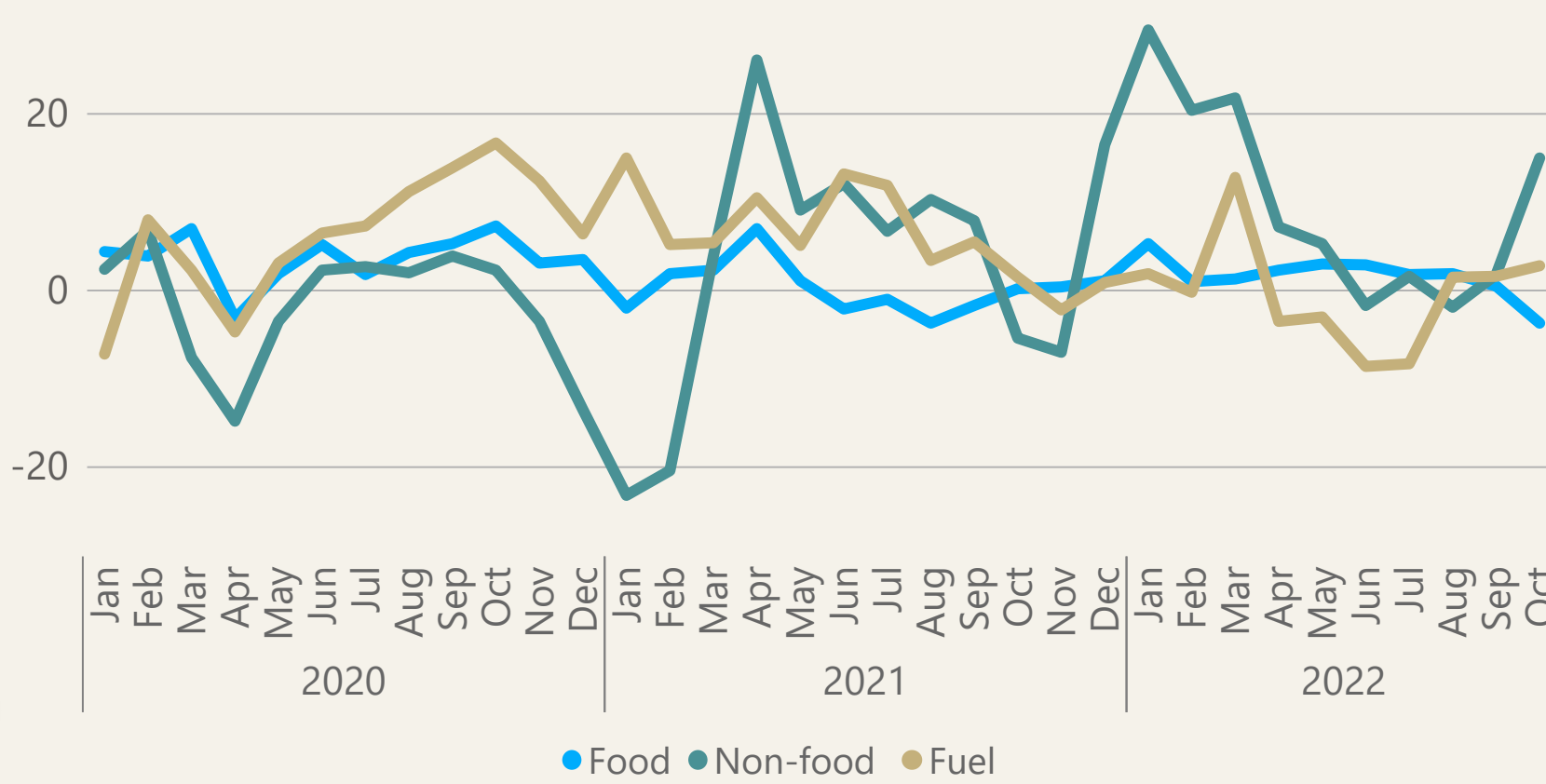
ESI Sector Confidence Index in Latvia



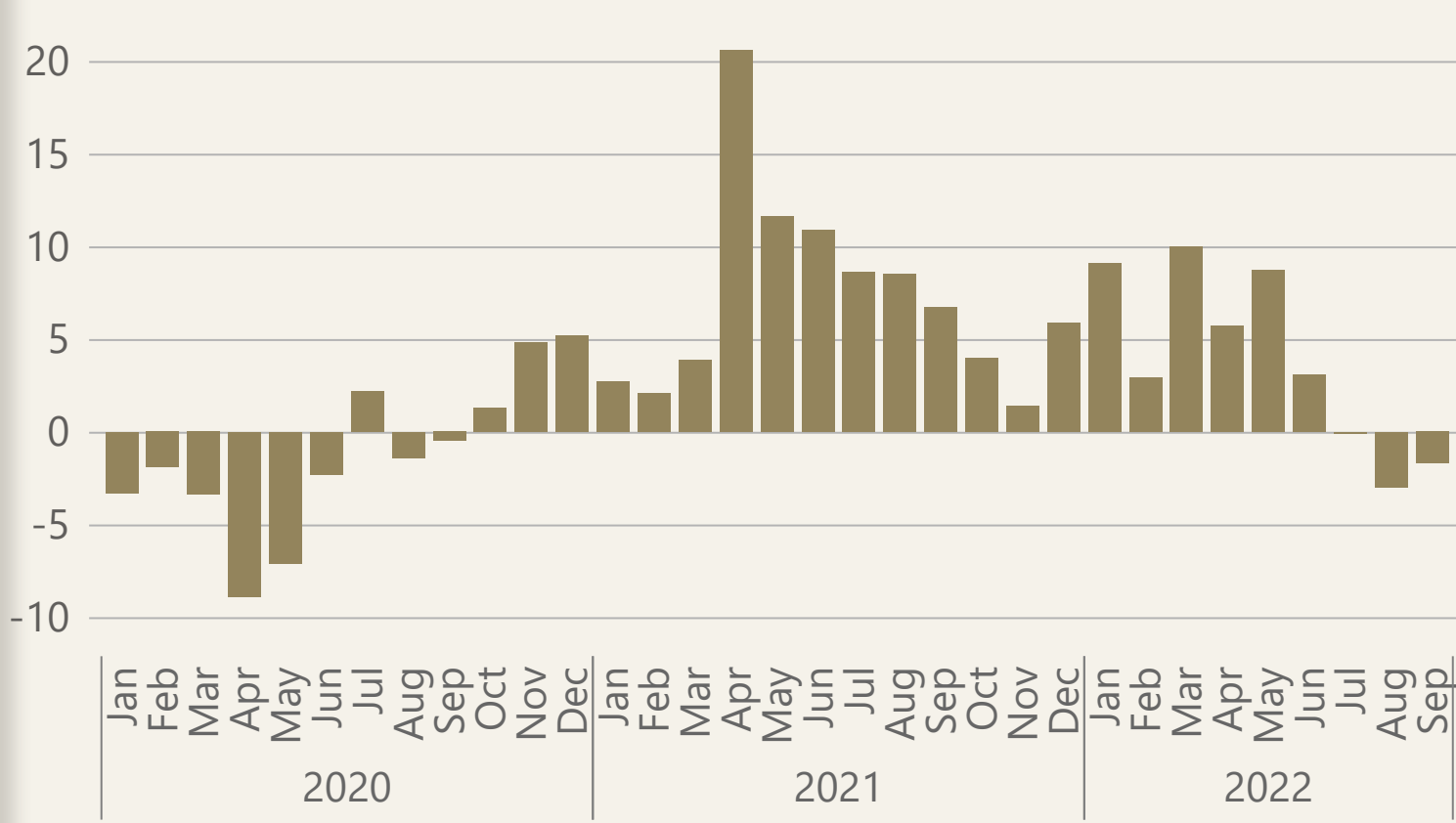
Source: CSB, European Commission

INDUSTRIES

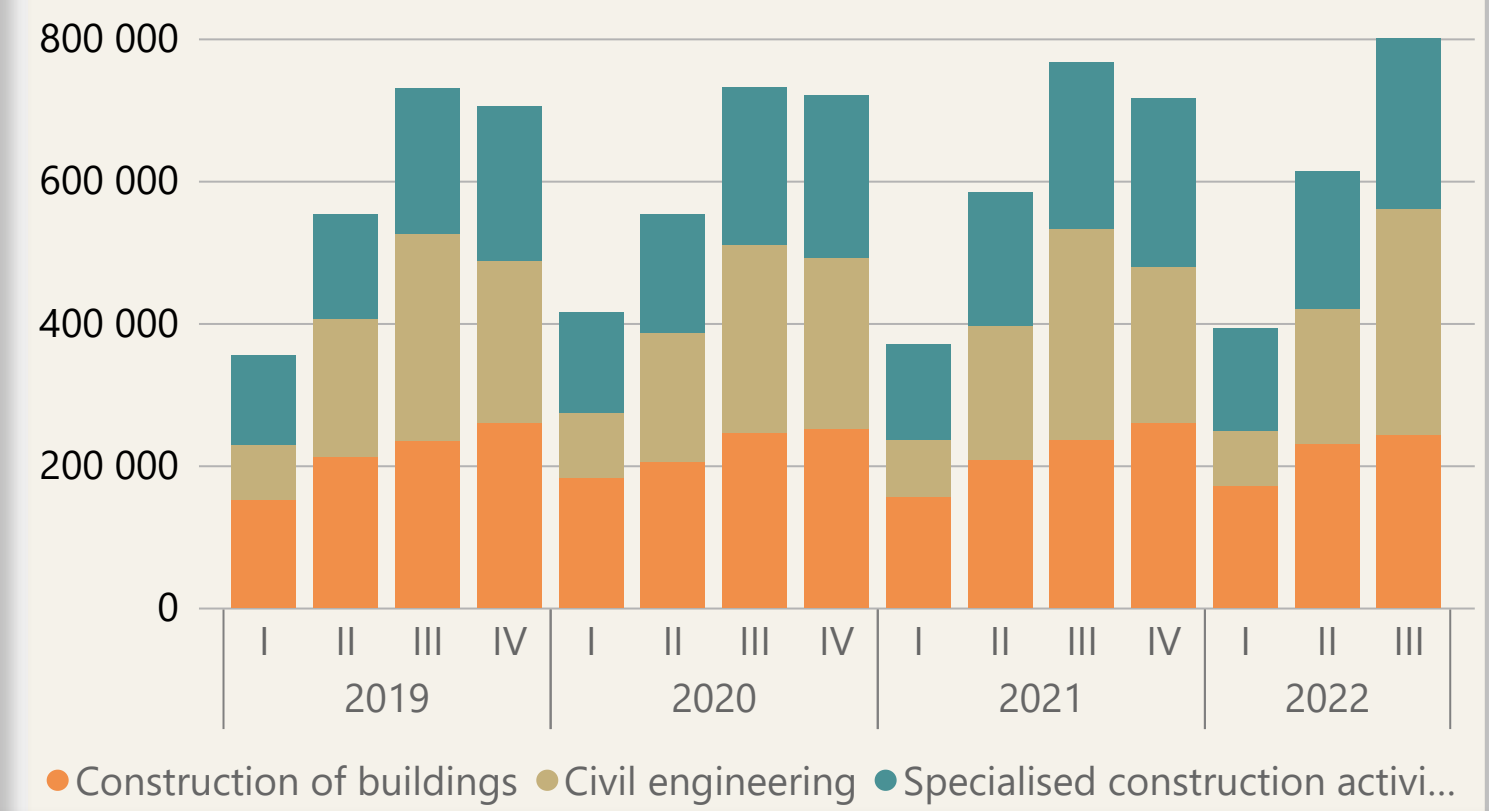
Retail trade growth, YoY%



Manufacturing output, YoY%



Construction output at constant prices, thsd €



Source: CSB, European Commission

INFLATION

Inflation

21.8%

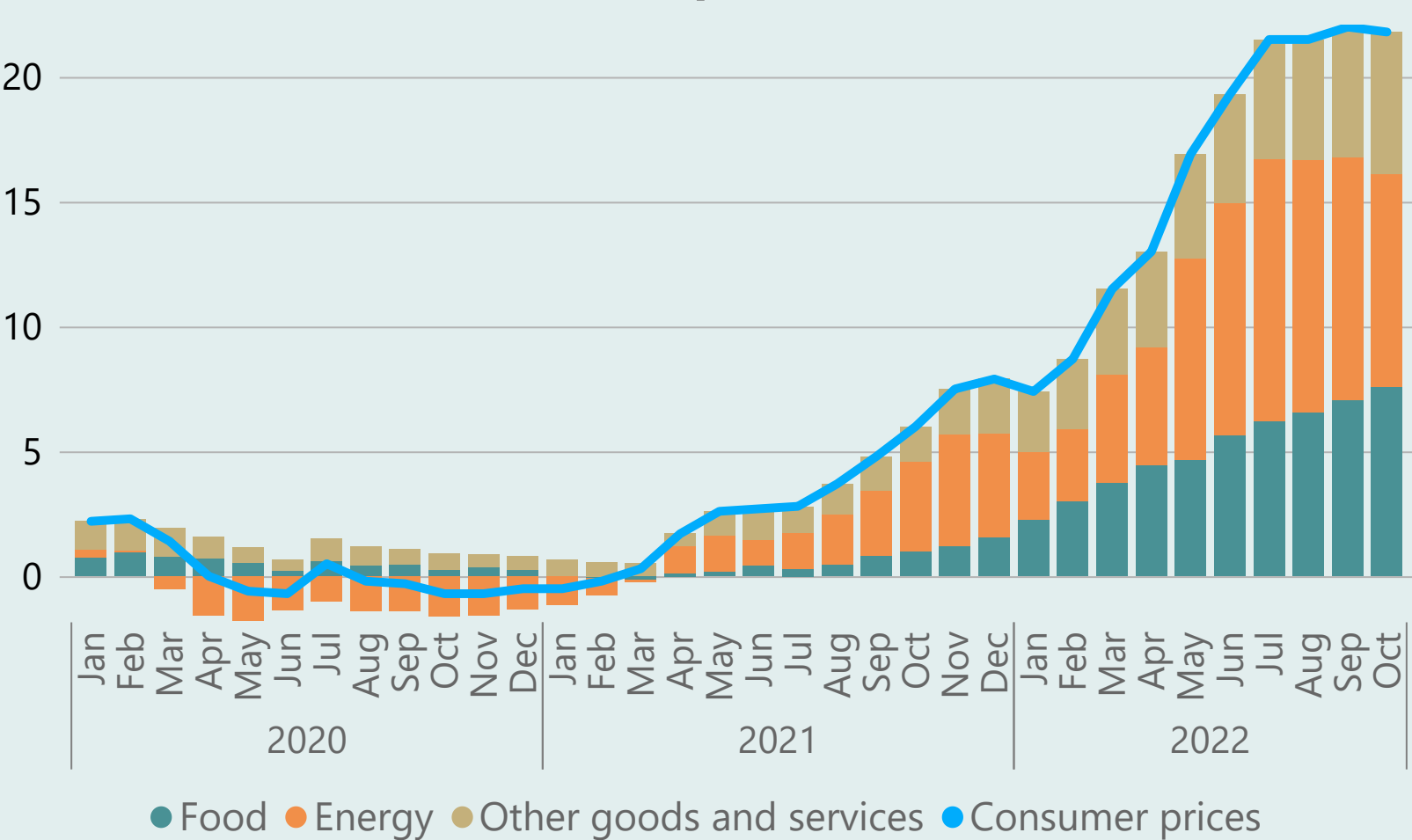
October 2022

Producer price rise

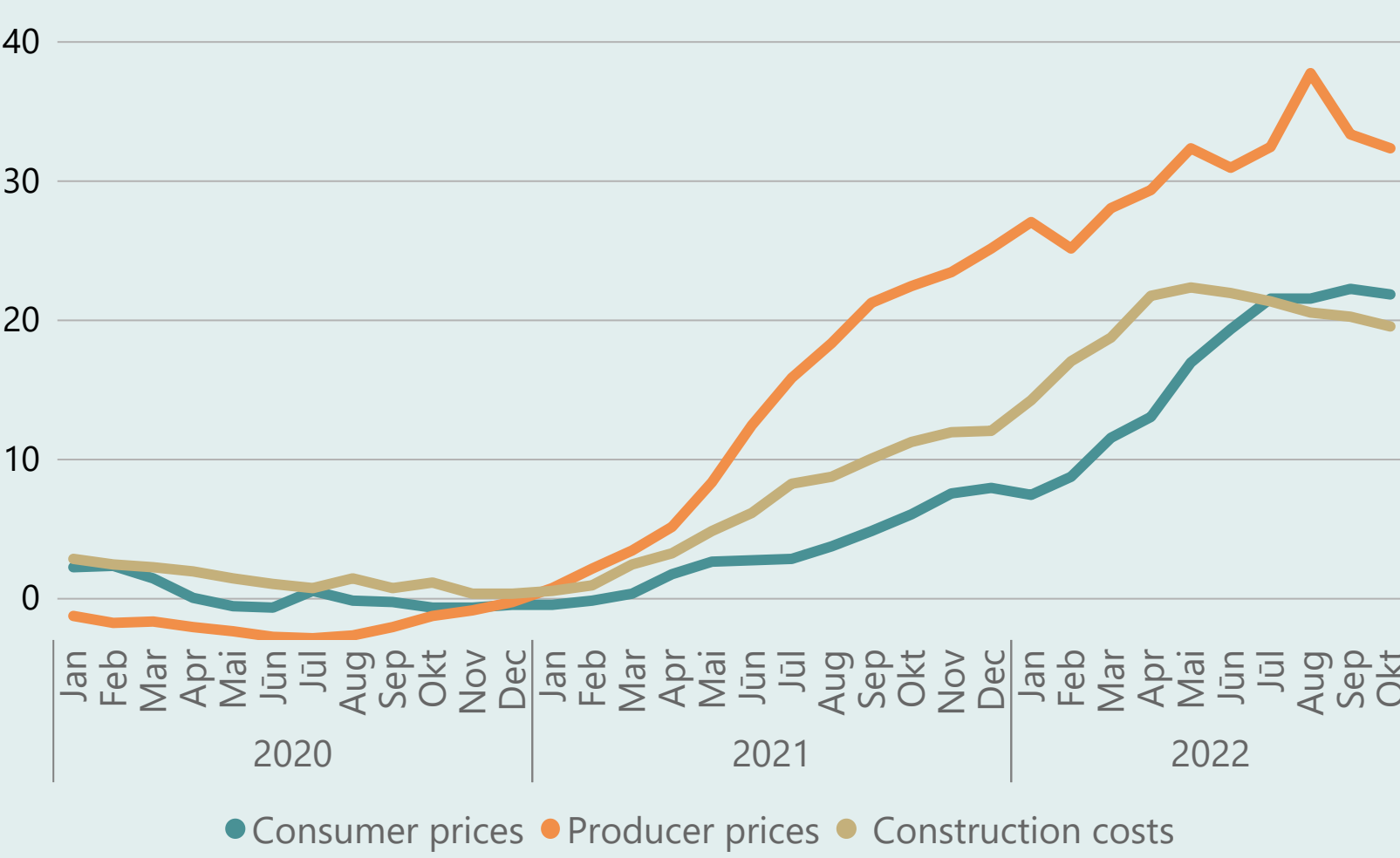
32.3%

October 2022

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

Registered

5.7%

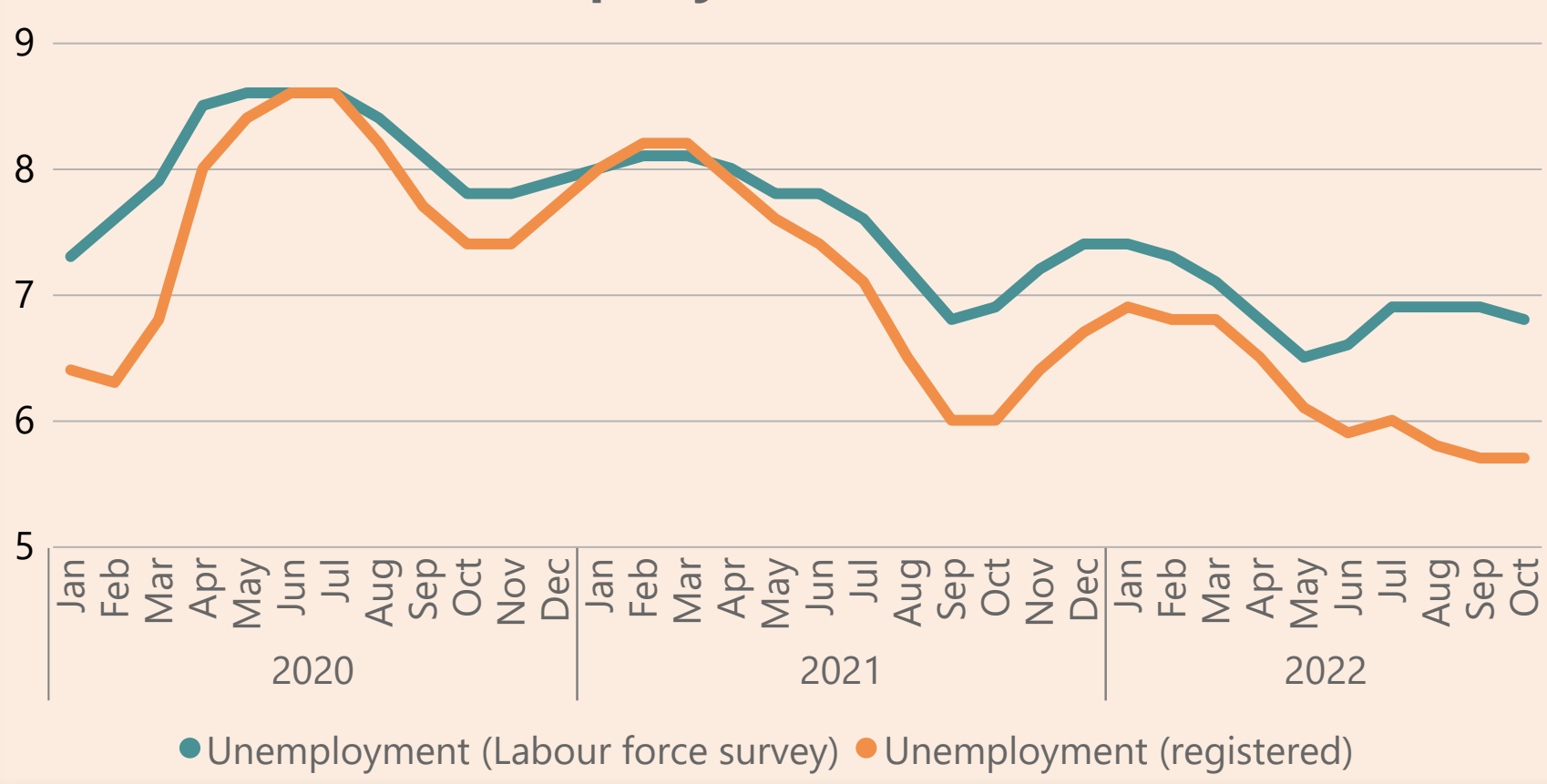
October 2022

Labour force survey

6.8%

October 2022

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 393€

(+6.1% YoY)

2Q 2022

Public sector

1 372€

(+6.6% YoY)

2Q 2022

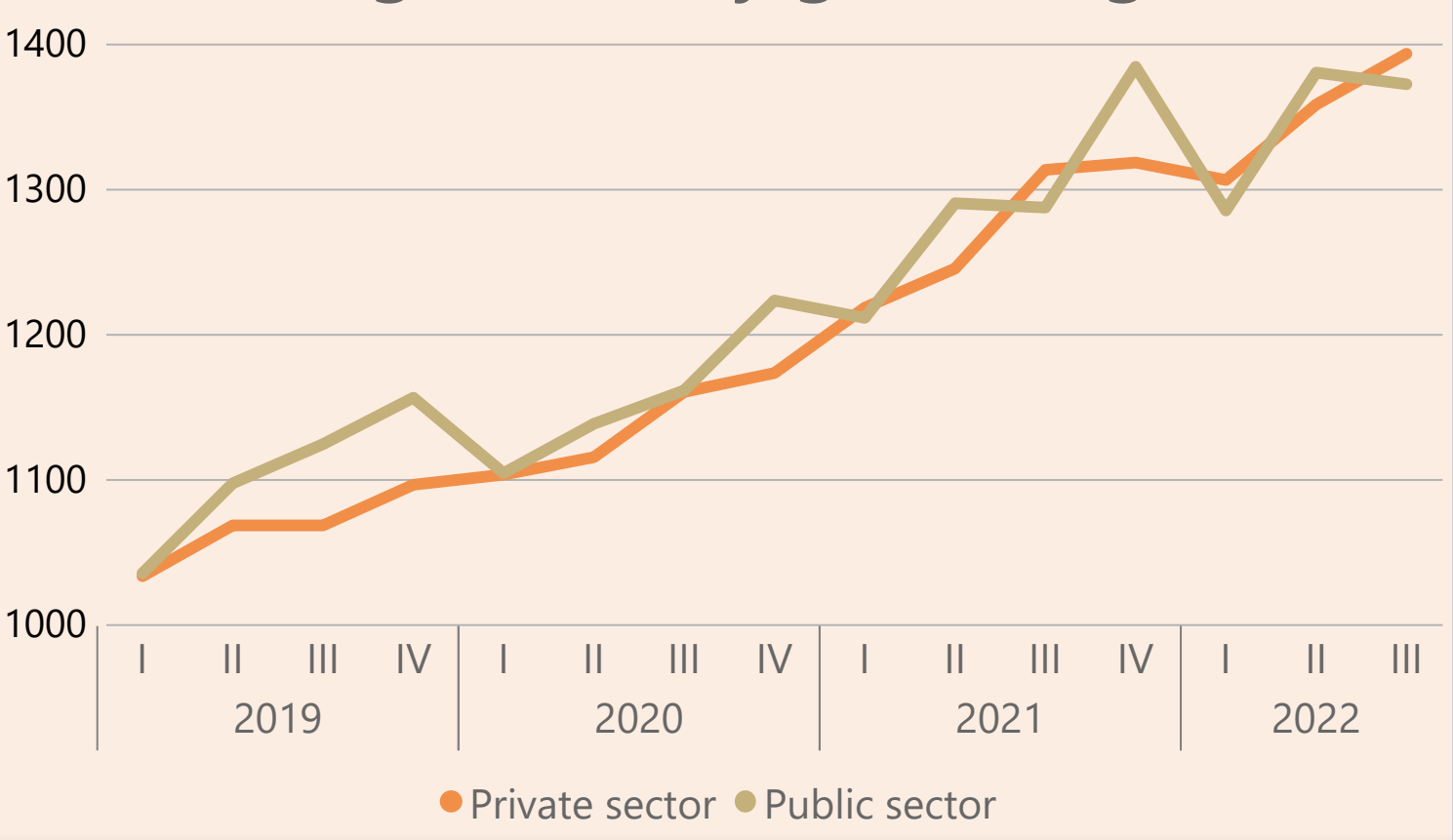
Total

1 384€

(+6.3% YoY)

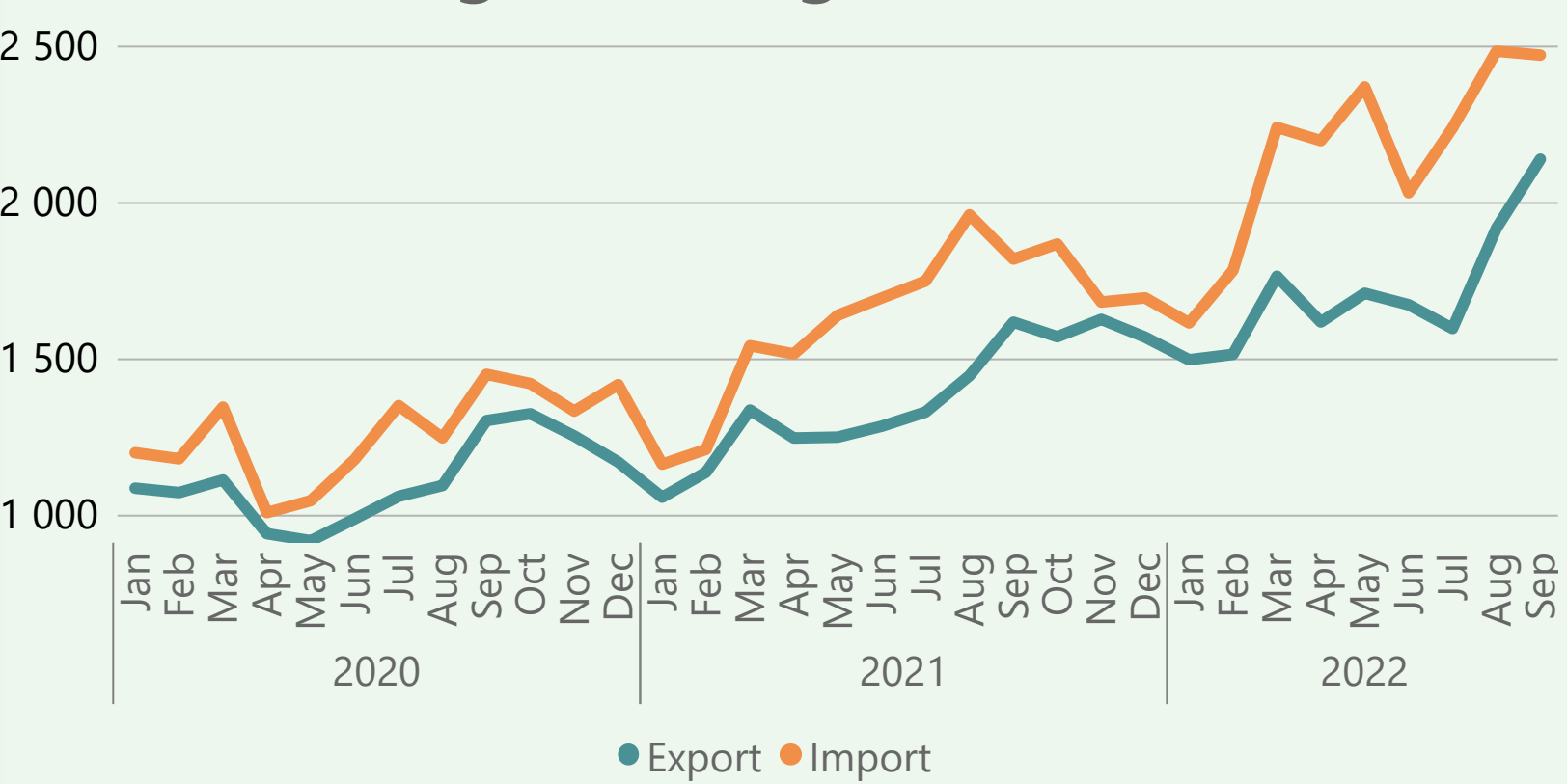
2Q 2022

Average monthly gross wage, €



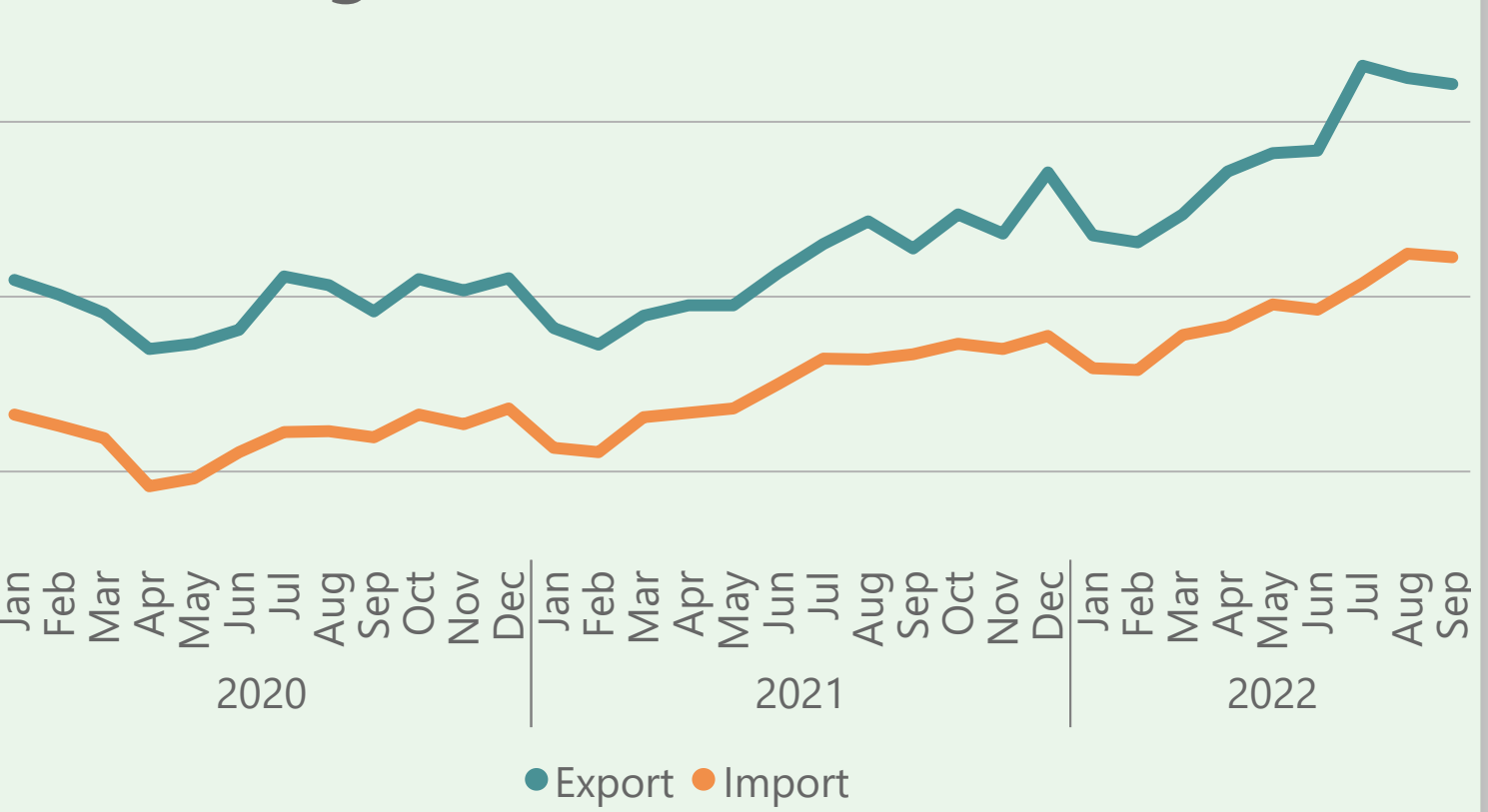
FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB

Foreign trade (services), mln €



Source: CSB

GENERAL GOVERNMENT BUDGET

General government budget balance 2022

-7.0% of GDP

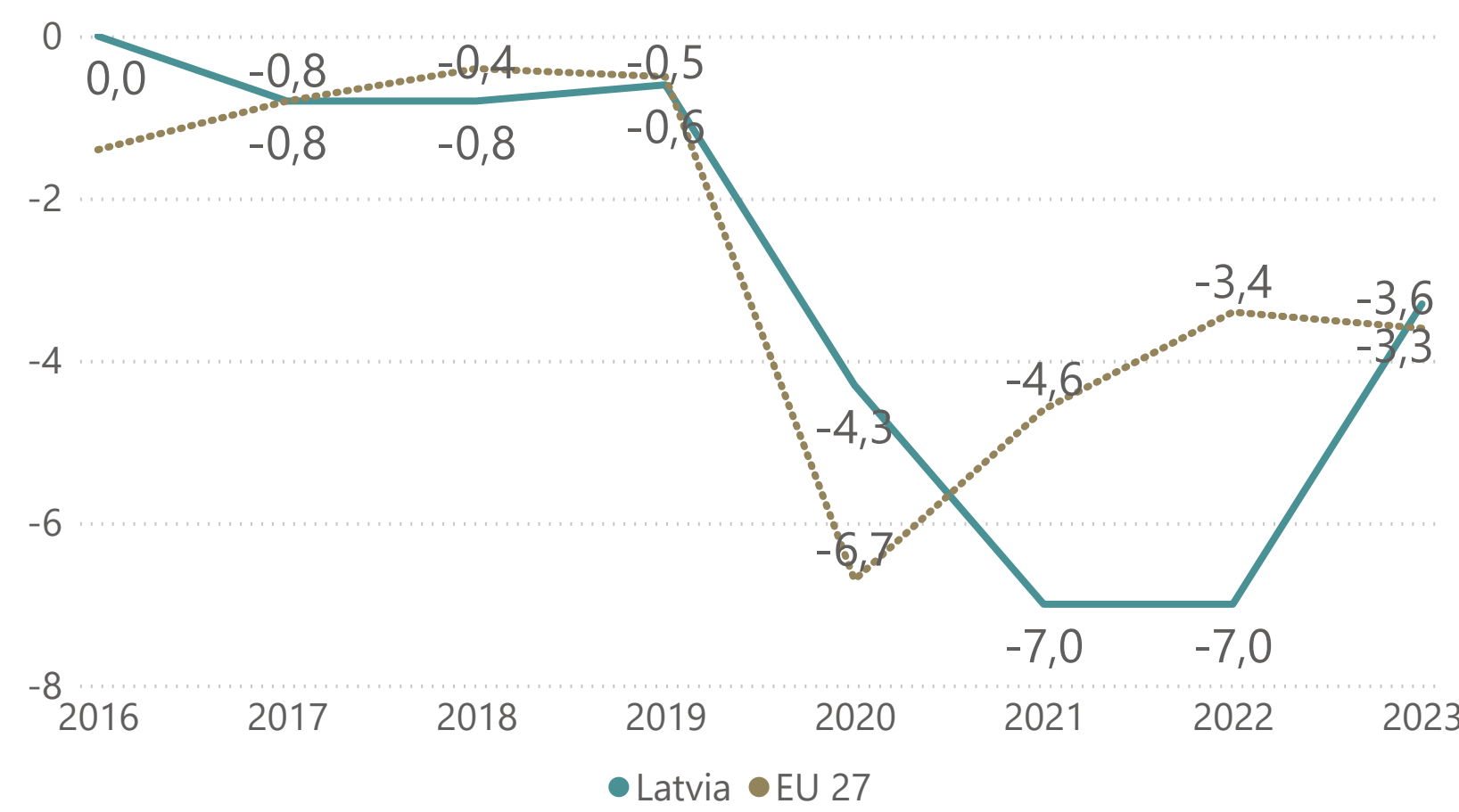
Forecast of MoF, DBP October 2022

General government debt 2022

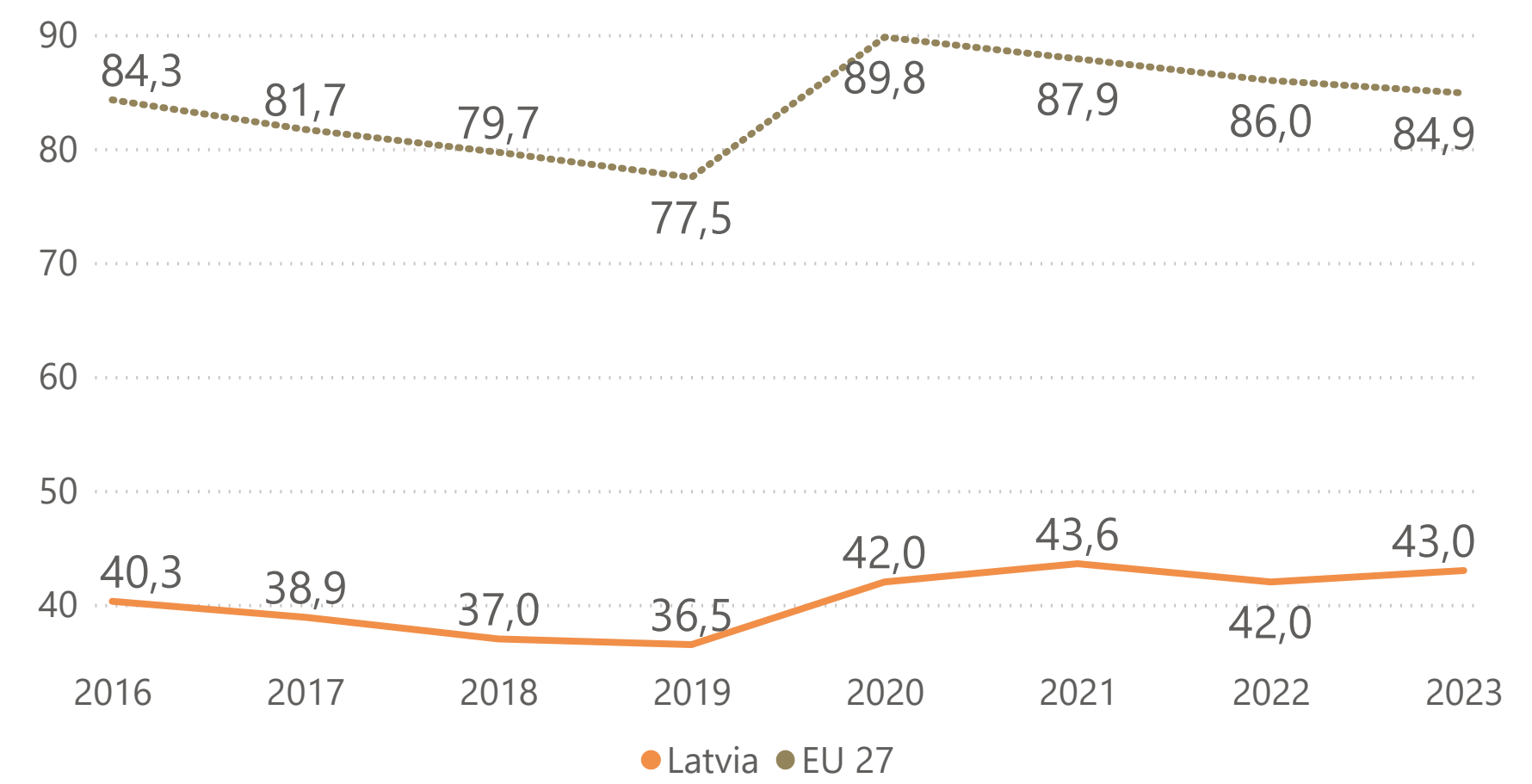
42.0% of GDP

Forecast of State Treasury, DBP October 2022

General government budget balance, % of GDP



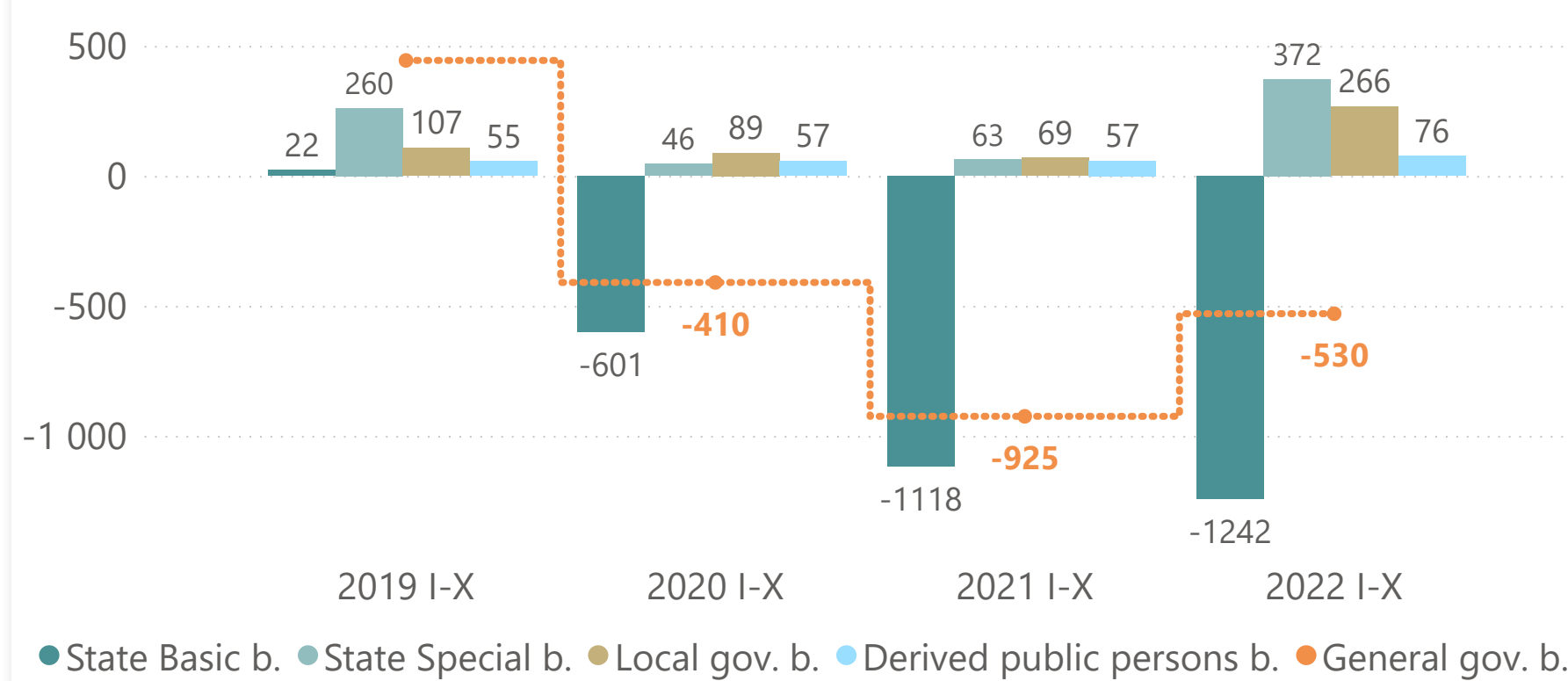
General government debt, % of GDP



Source: Eurostat, AMECO Spring Forecast 2022, Draft Budgetary Plan 2023-2025, approved by Cabinet of Ministers on October 11th, 2022.

GENERAL GOVERNMENT BUDGET IN JANUARY - OCTOBER 2022 ON CASH BASIS

General government budget balance, mln €



General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 632,3	1 253,8	12,1%
Expenditure	12 162,3	859,1	7,6%
Balance	-530,0	394,7	

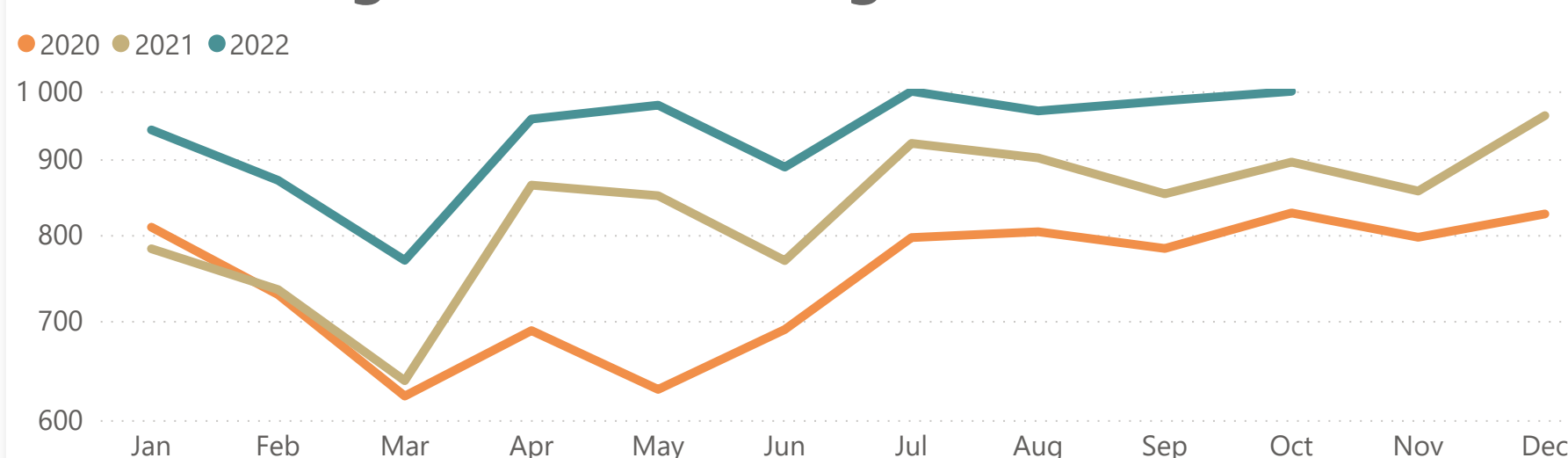
Revenue and expenditure

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	9 411,6	1 200,0	14,6%
Non tax revenue	736,7	53,3	7,8%
Foreign financial assistance	1 120,2	-50,4	-4,3%
Expenditure			
Remuneration	2 426,7	112,5	4,9%
Goods and services	1 824,3	672,8	58,4%
Interest payments	175,9	-55,1	-23,9%
Subsidies and grants	2 825,2	496,4	21,3%
Social support	3 708,1	-373,5	-9,2%
Capital expenditure	829,1	-17,7	-2,1%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	3 083,1	615,0	24,9%
VAT	2 852,1	454,6	19,0%
PIT	1 862,3	323,5	21,0%
EXCISE	949,4	30,2	3,3%
CIT	326,1	64,9	24,9%

General government budget tax revenue, mln €

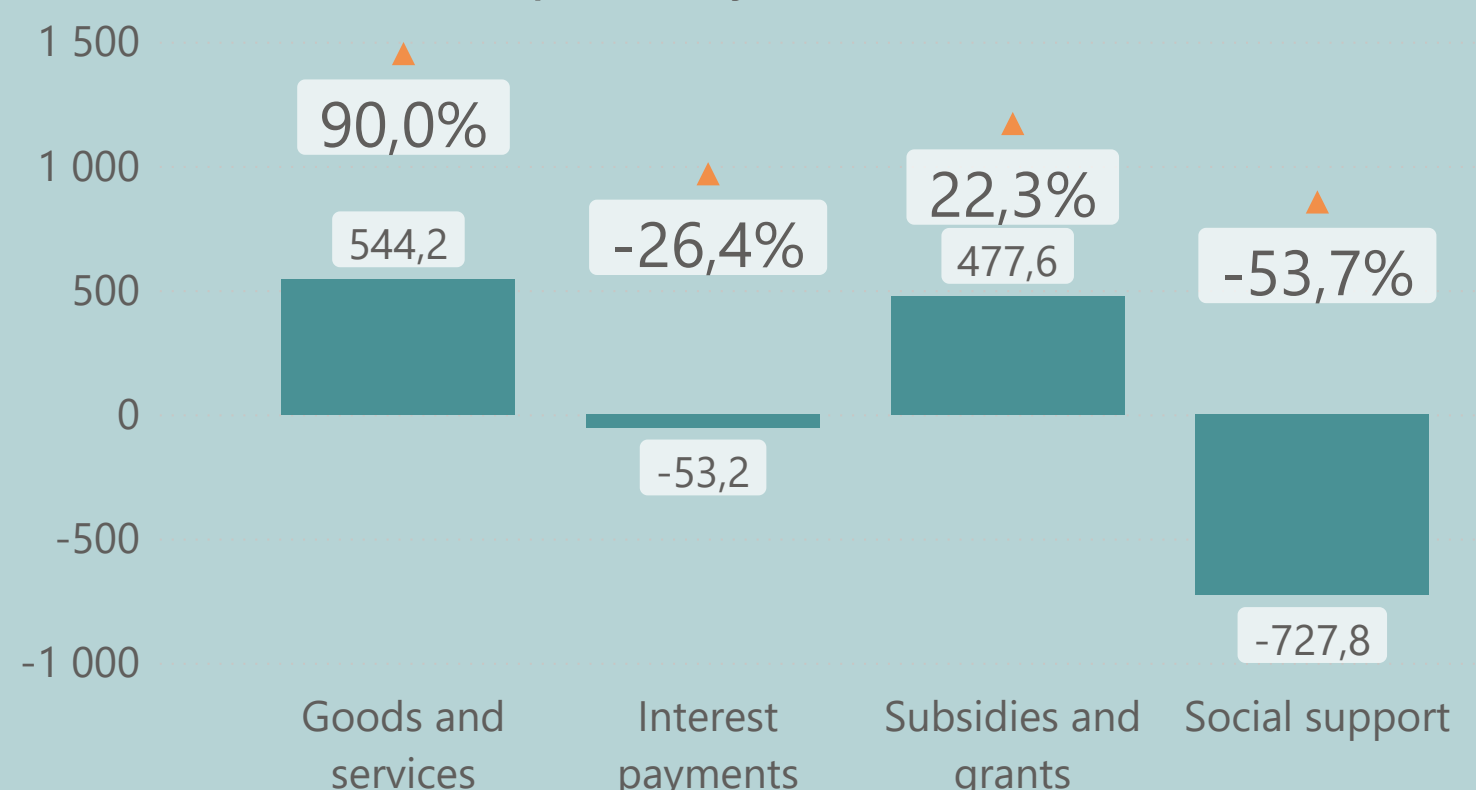


Source: Treasury. General government budget tax revenue in January-October 2022 including revenue in the single tax account -127,1 mln euro.

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	6 643,0	358,7	5,7%
Expenditure	7 885,4	483,4	6,5%
Balance	-1 242,4	-124,7	

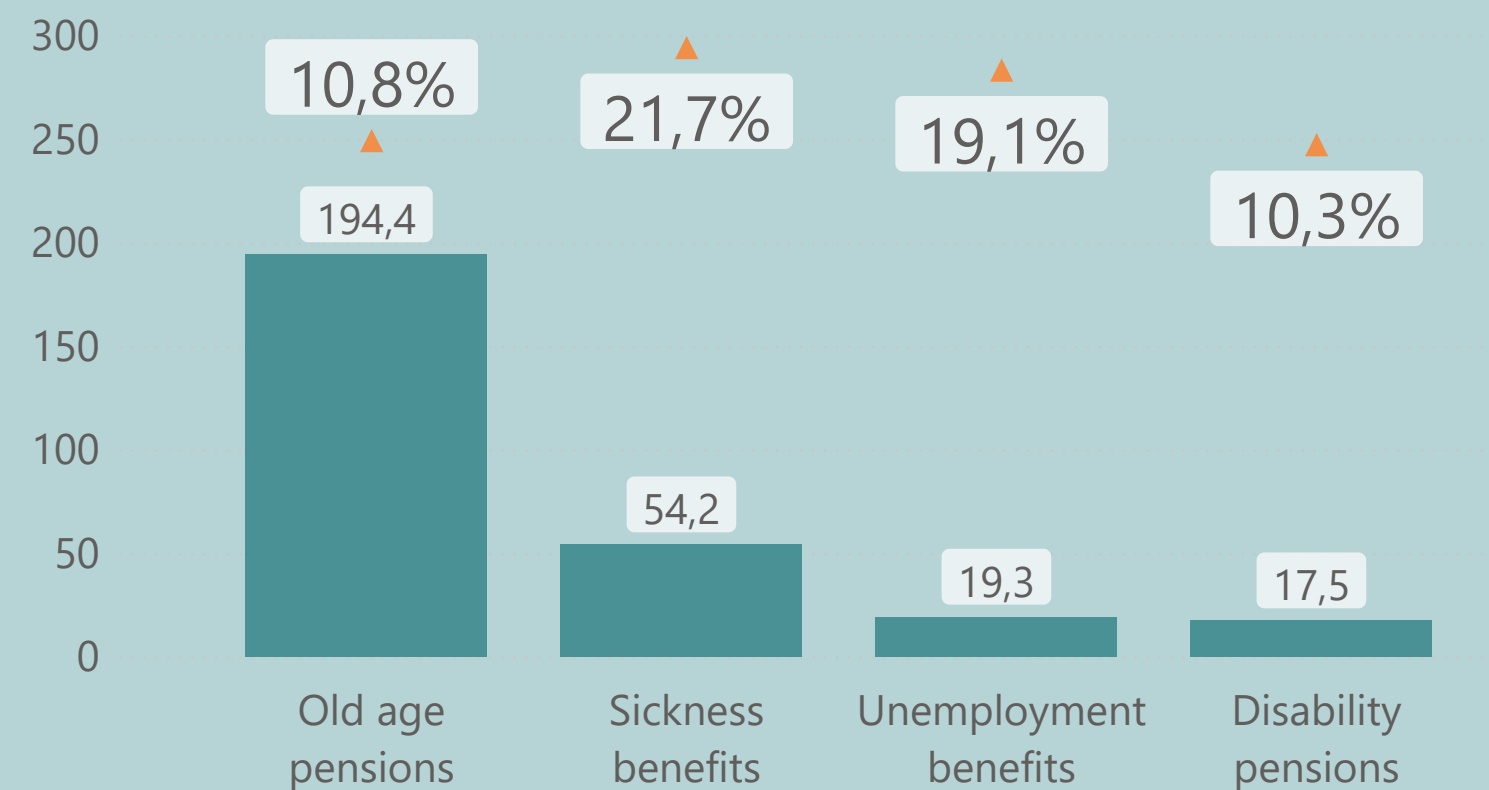
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 307,2	616,3	22,9%
Expenditure	2 935,2	307,2	11,7%
Balance	372,0	309,0	

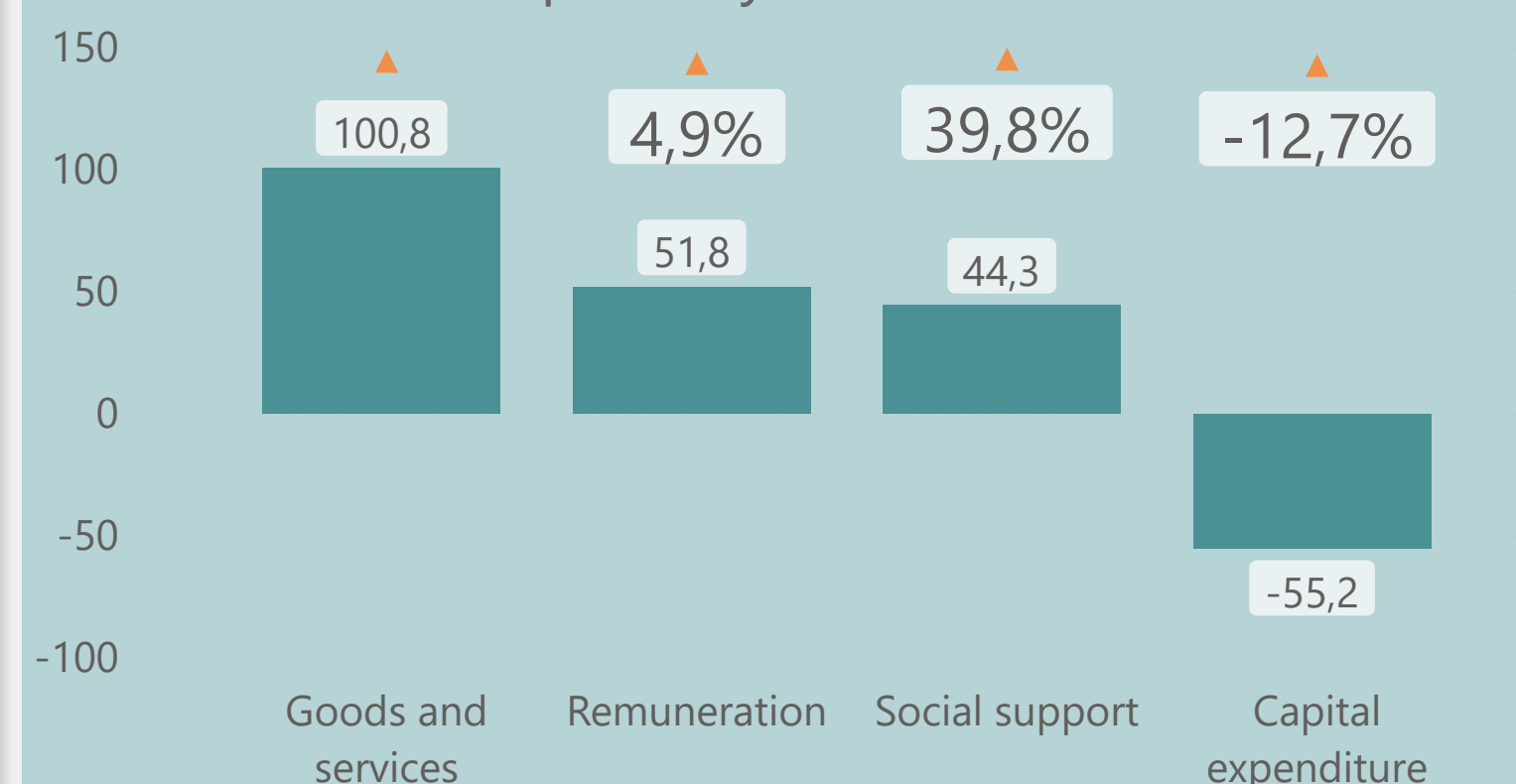
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 698,4	346,5	14,7%
Expenditure	2 432,0	149,3	6,5%
Balance	266,4	197,2	

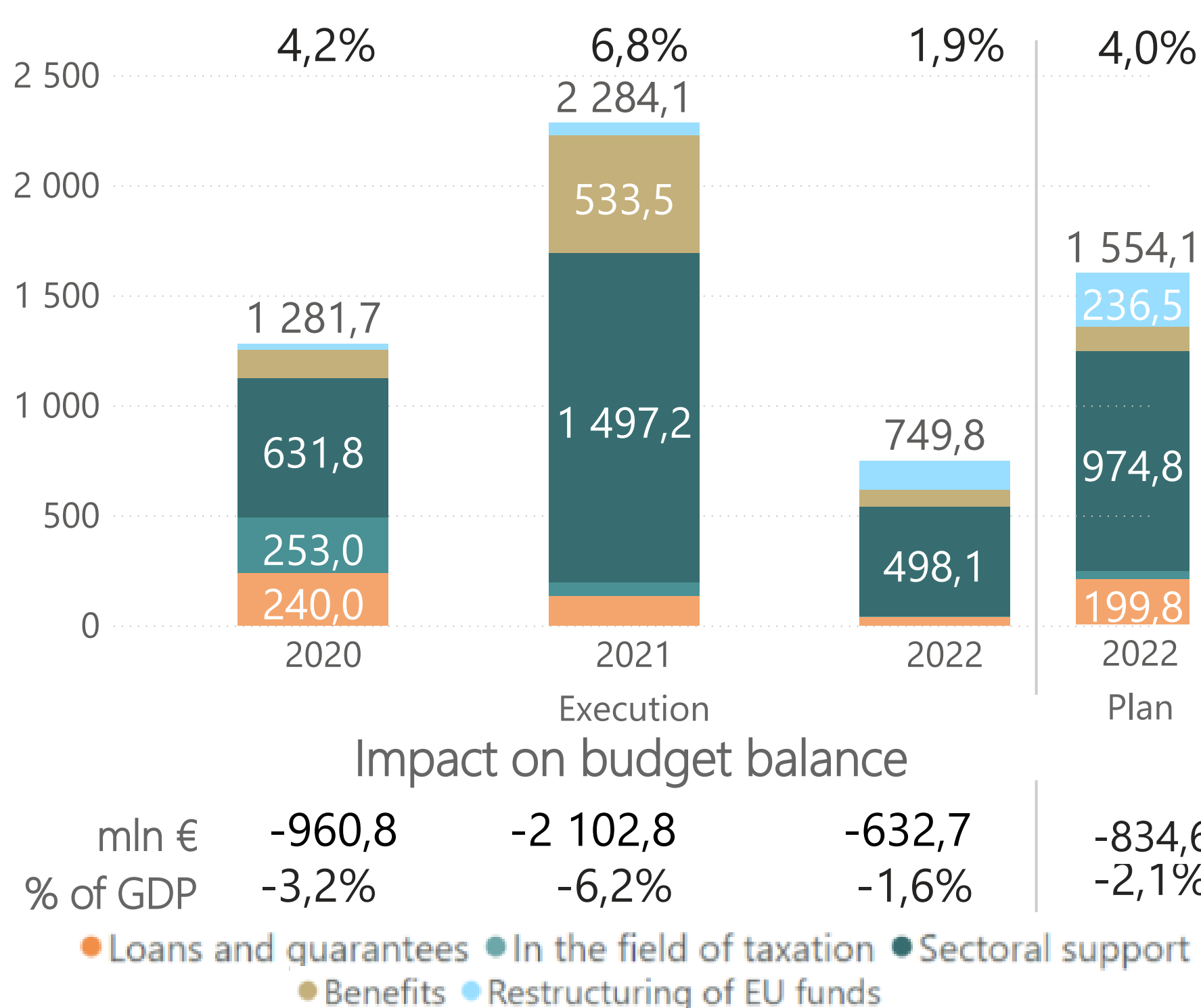
Major changes in mln € and % against respective period year before



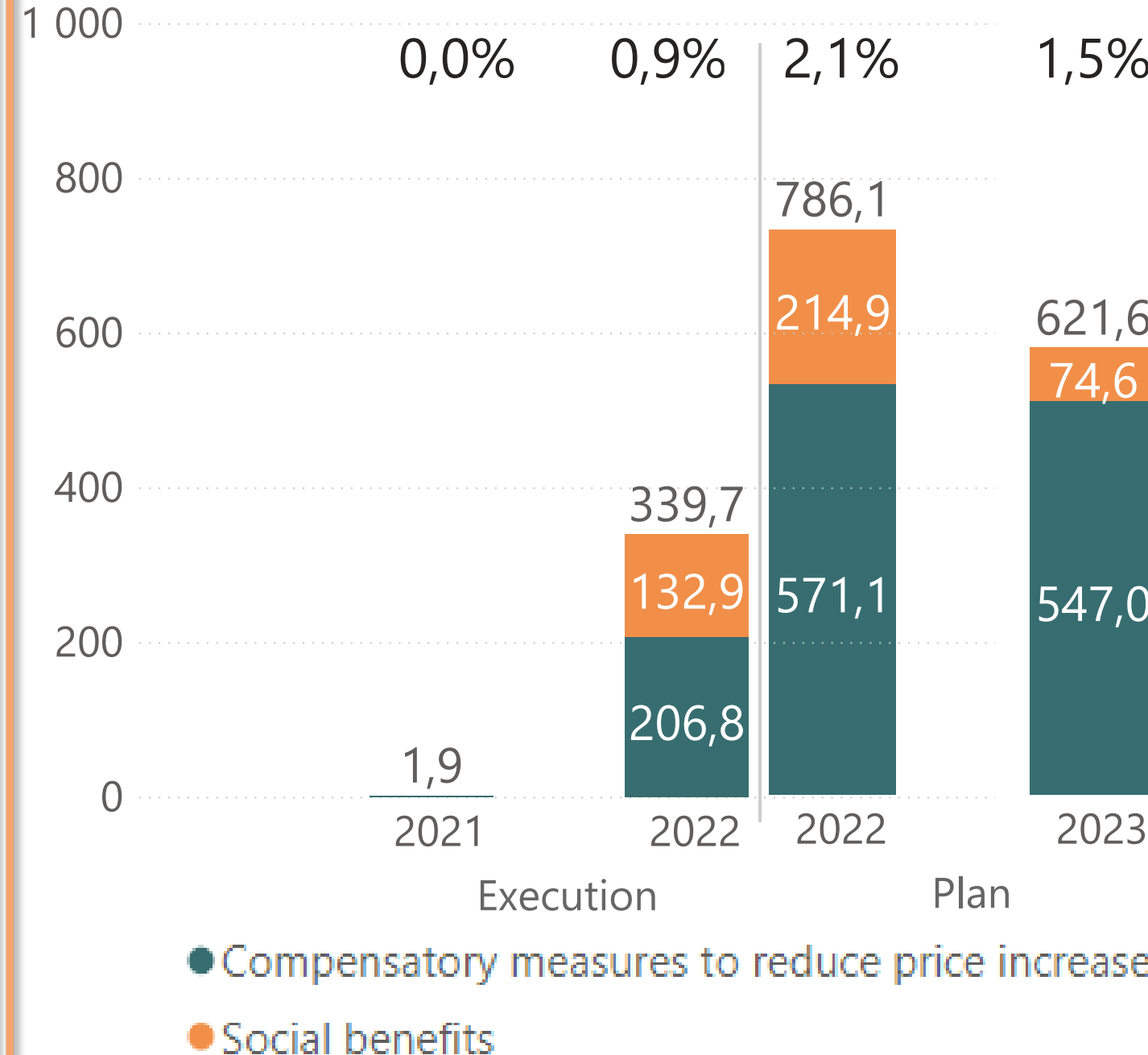
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

CRISIS SUPPORT MEASURES

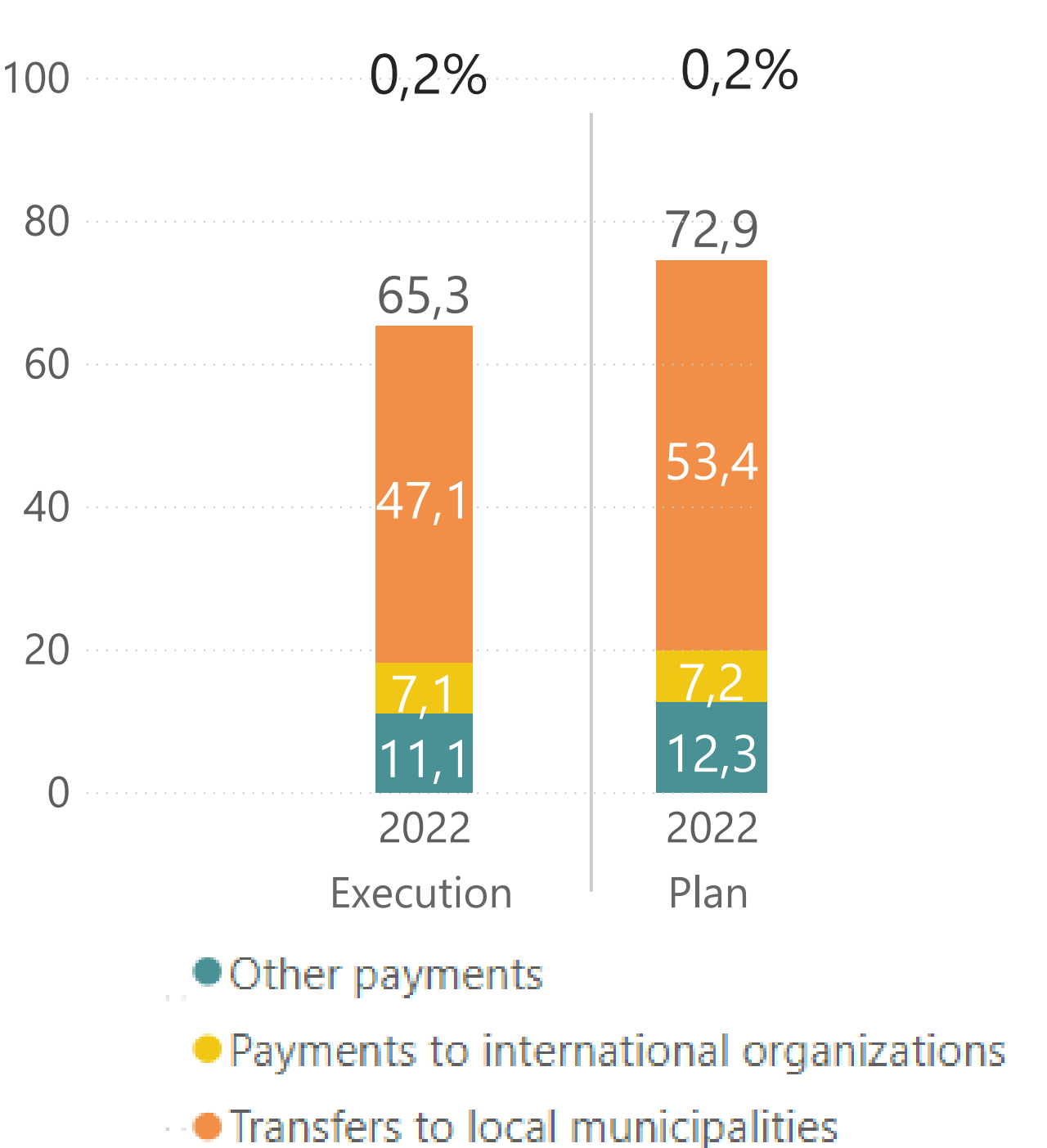
Covid-19 support to economy, mln € and % of GDP



Energy support measures, mln € and % of GDP



Support to Ukrainien citizens, mln € and % of GDP



Source: Plan according to the government decisions till November 8th, 2022. Execution according to data from the State Treasury, State Revenue Service, ALTUM, etc. till October 31, 2022.