

MACROECONOMIC AND BUDGETARY REVIEW 2024

No 1

GROSS DOMESTIC PRODUCT (GDP)

GDP 2023

40 310 mln €

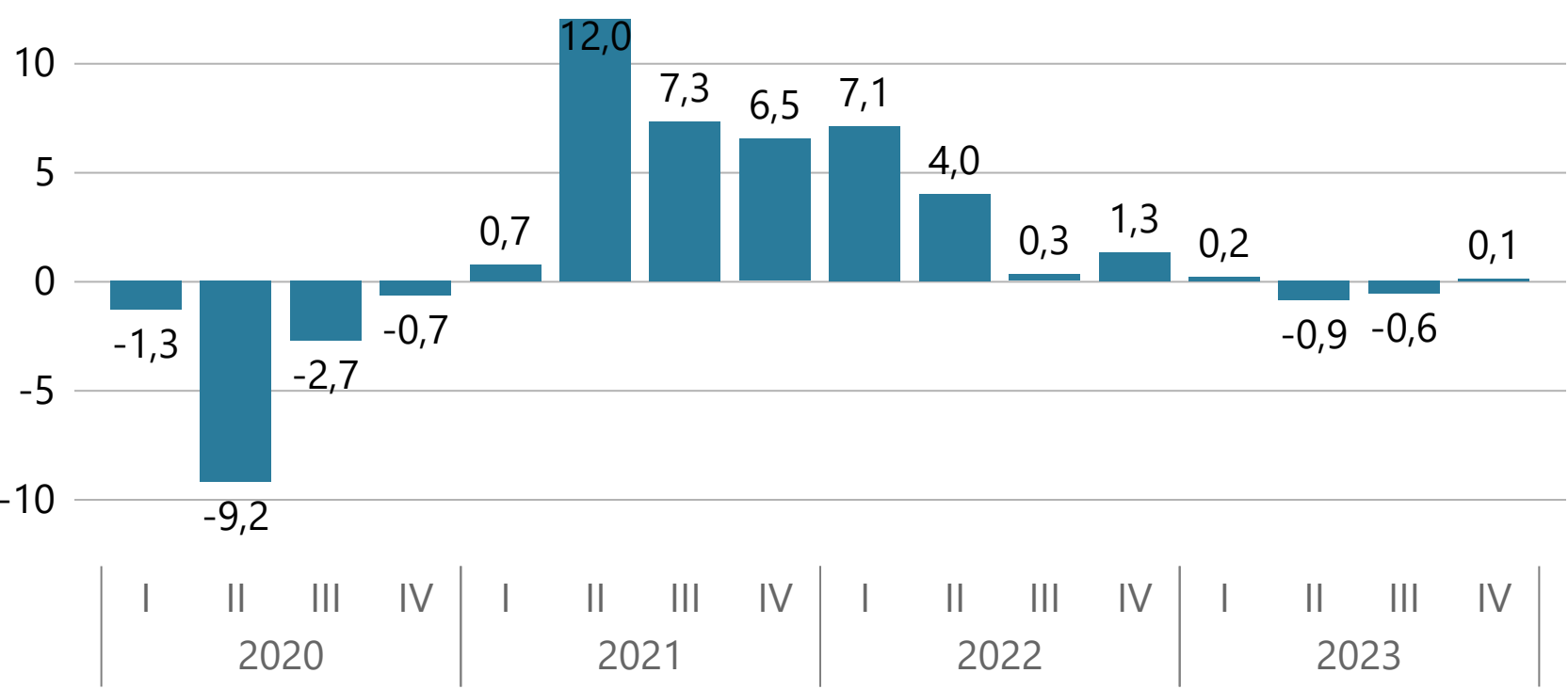
CSB, 29.02.2024.

GDP growth 2024

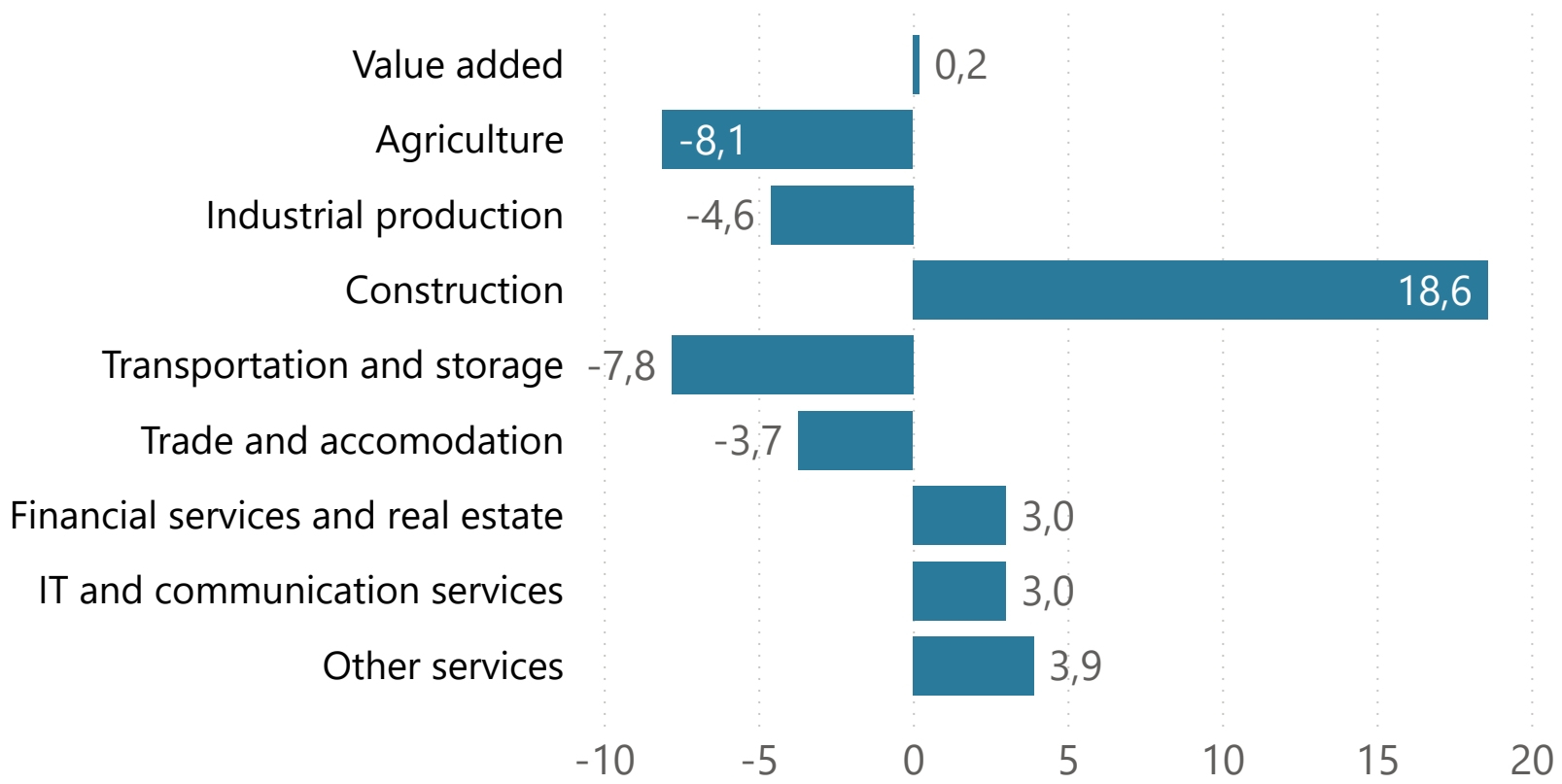
1,4%

MoF forecast, February 2024

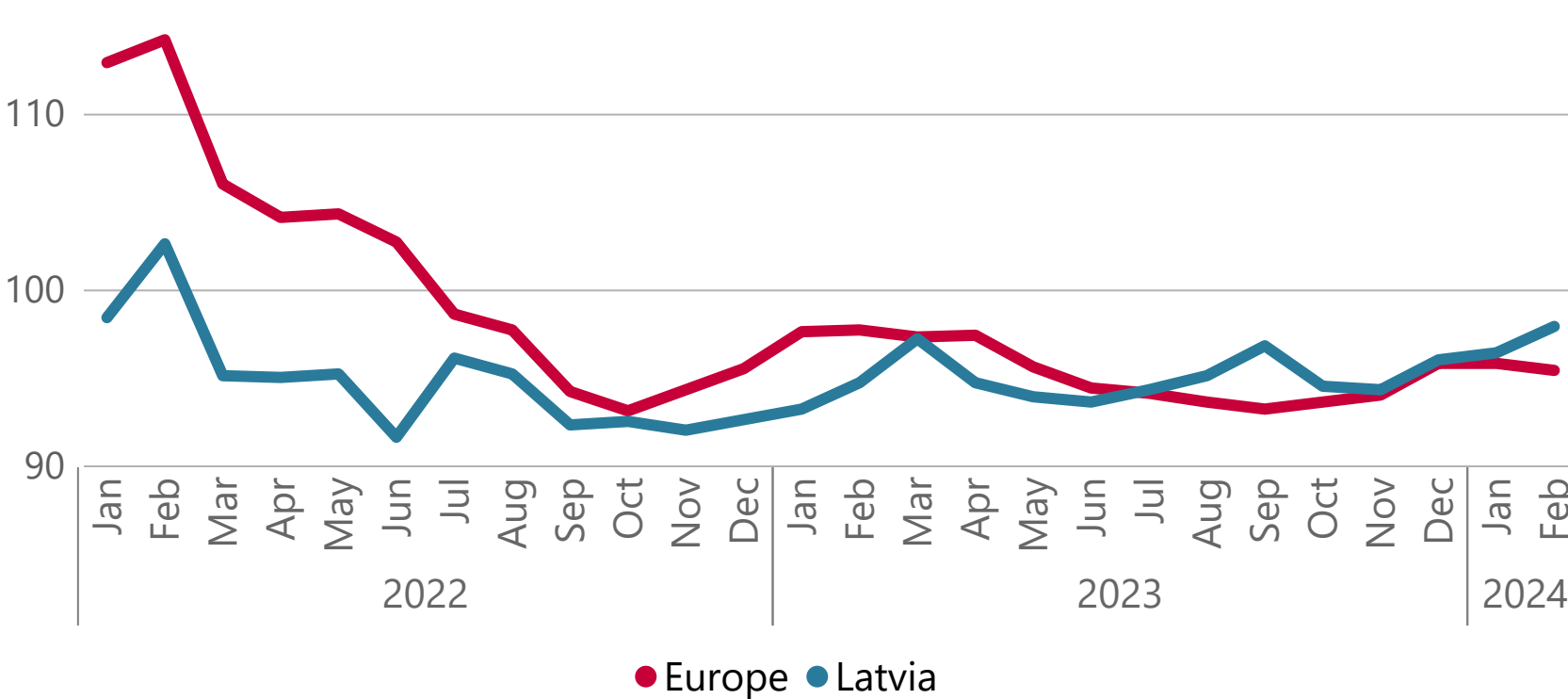
GDP growth, YoY%



GDP growth by sectoral breakdown 2023/2022



Economic confidence



Source: European Commission; Central Statistical Bureau(CSB); comparable prices

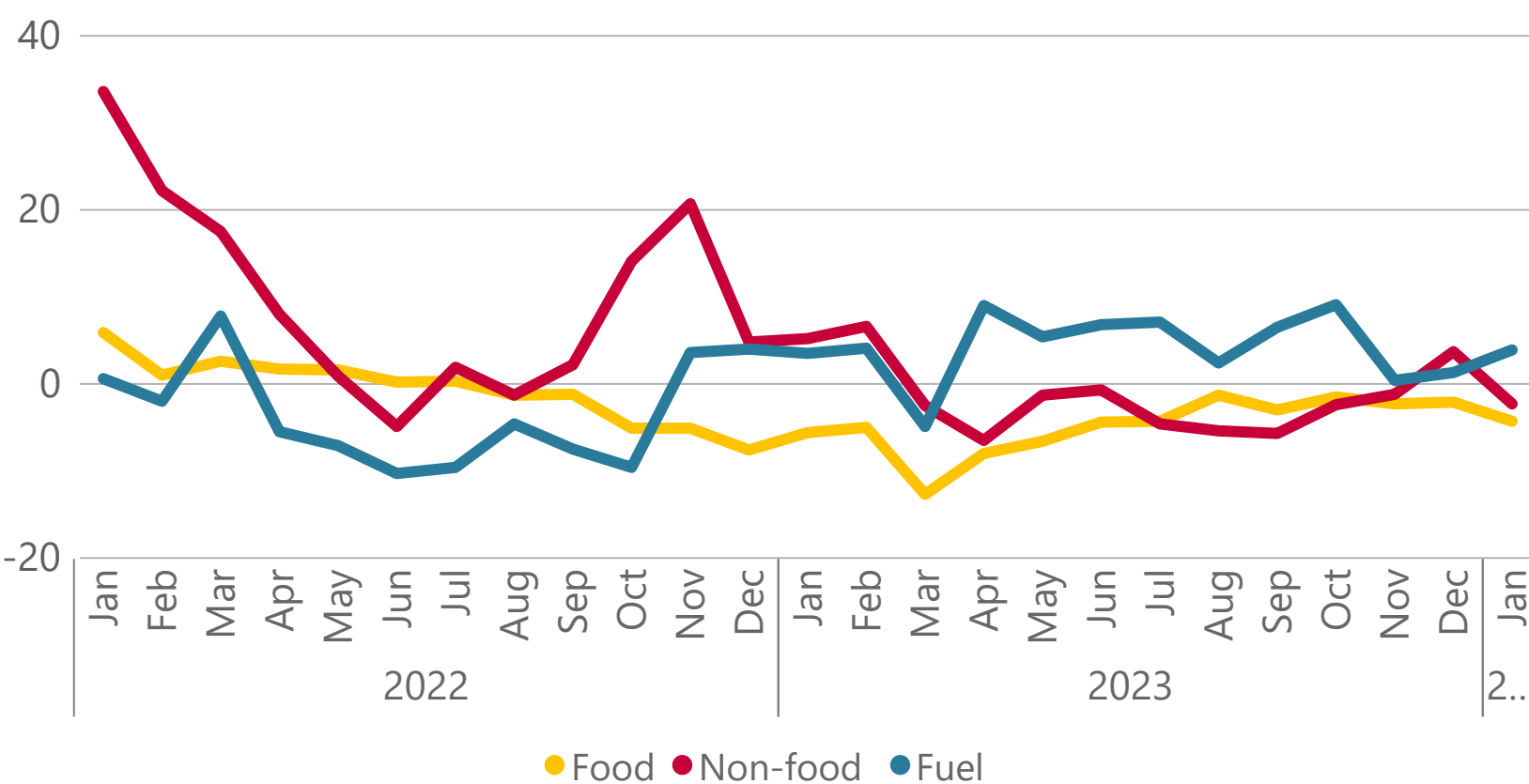
MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024*	2025*	2026*	2027*	2028*
Nominal GDP growth, %	4,9	-1,5	10,8	15,1	5	4,1	6	5,3	5,1	5,1
Real GDP growth, %	0,6	-3,5	6,7	3	-0,3	1,4	2,9	2,5	2,3	2,3
GDP deflator, % change	4,3	2,1	3,8	11,8	5,3	2,7	3	2,7	2,7	2,7
Consumer price index, % change	2,8	0,2	3,3	17,3	8,9	1,6	2,5	2,5	2,5	2,5
Average monthly gross wage, EUR	1076	1143	1277	1373	1537	1650	1757	1863	1956	2054
nominal growth, %	7,2	6,2	11,7	7,5	11,9	7,5	6,5	6	5	5
real growth, %	4,2	6	8,2	-8,4	2,6	5,8	3,9	3,4	2,4	2,4
Number of persons employed, thsd	910	893	864	886	888	888	888	885	883	880
growth, %	0,1	-1,9	-3,2	2,6	0,2	0	0	-0,3	-0,3	-0,3
Unemployment rate, %	6,3	8,1	7,6	6,9	6,4	6,4	6	6	5,5	4,9

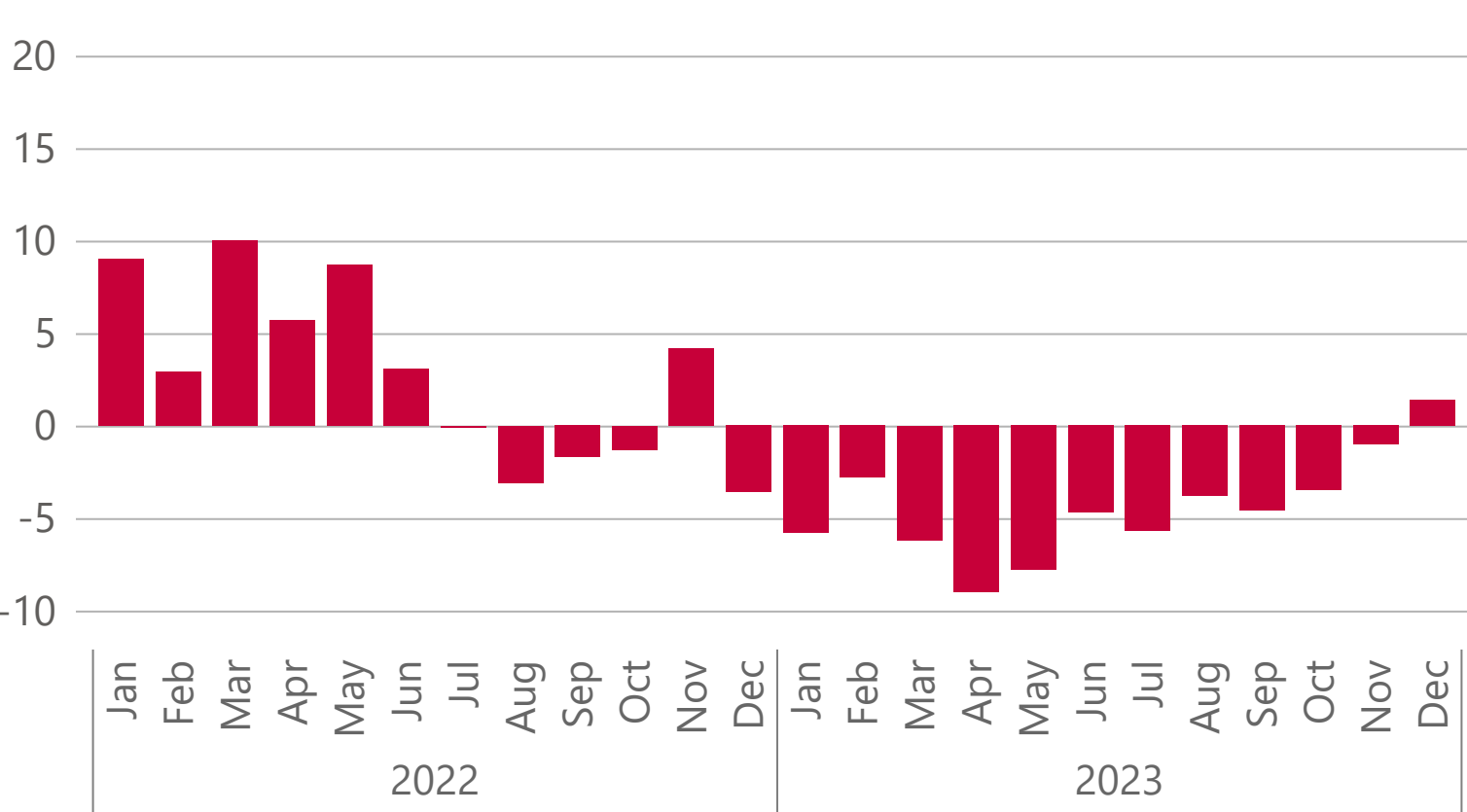
Source: CSB (29.02.2024), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2024)

INDUSTRIES

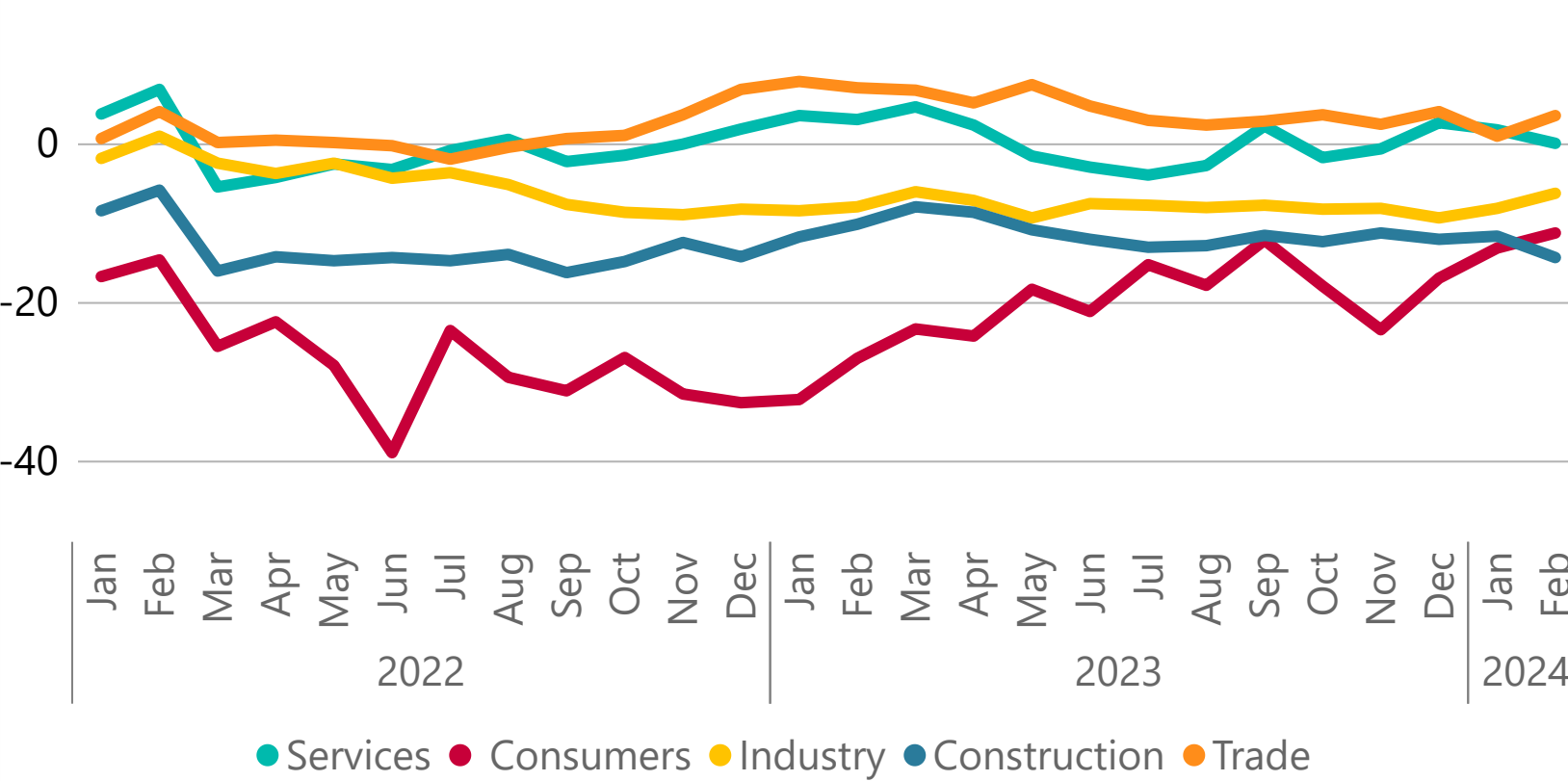
Retail trade growth, YoY%



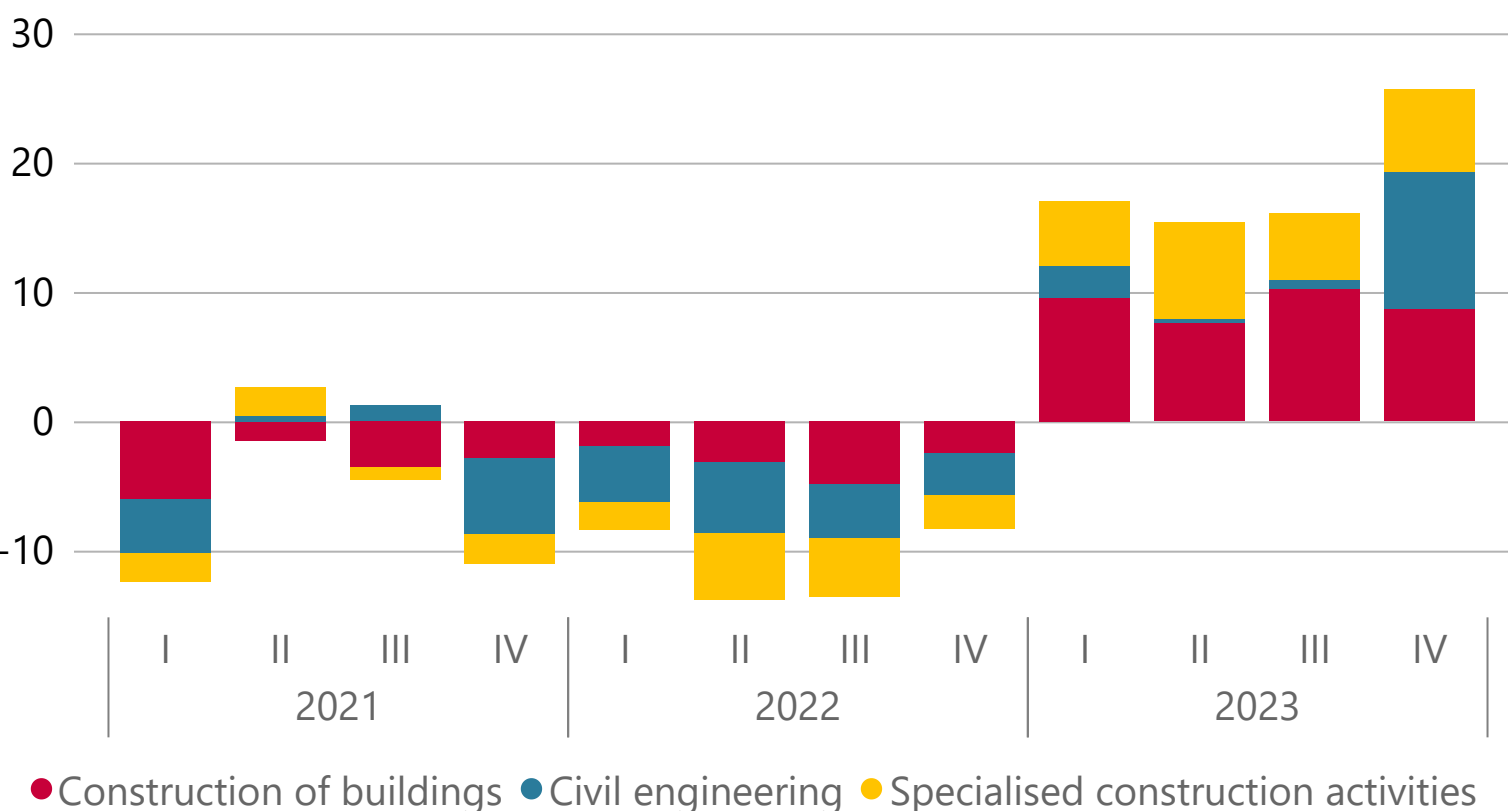
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at constant prices, thsd €



Source: CSB, European Commission

INFLATION

Inflation

0.9%

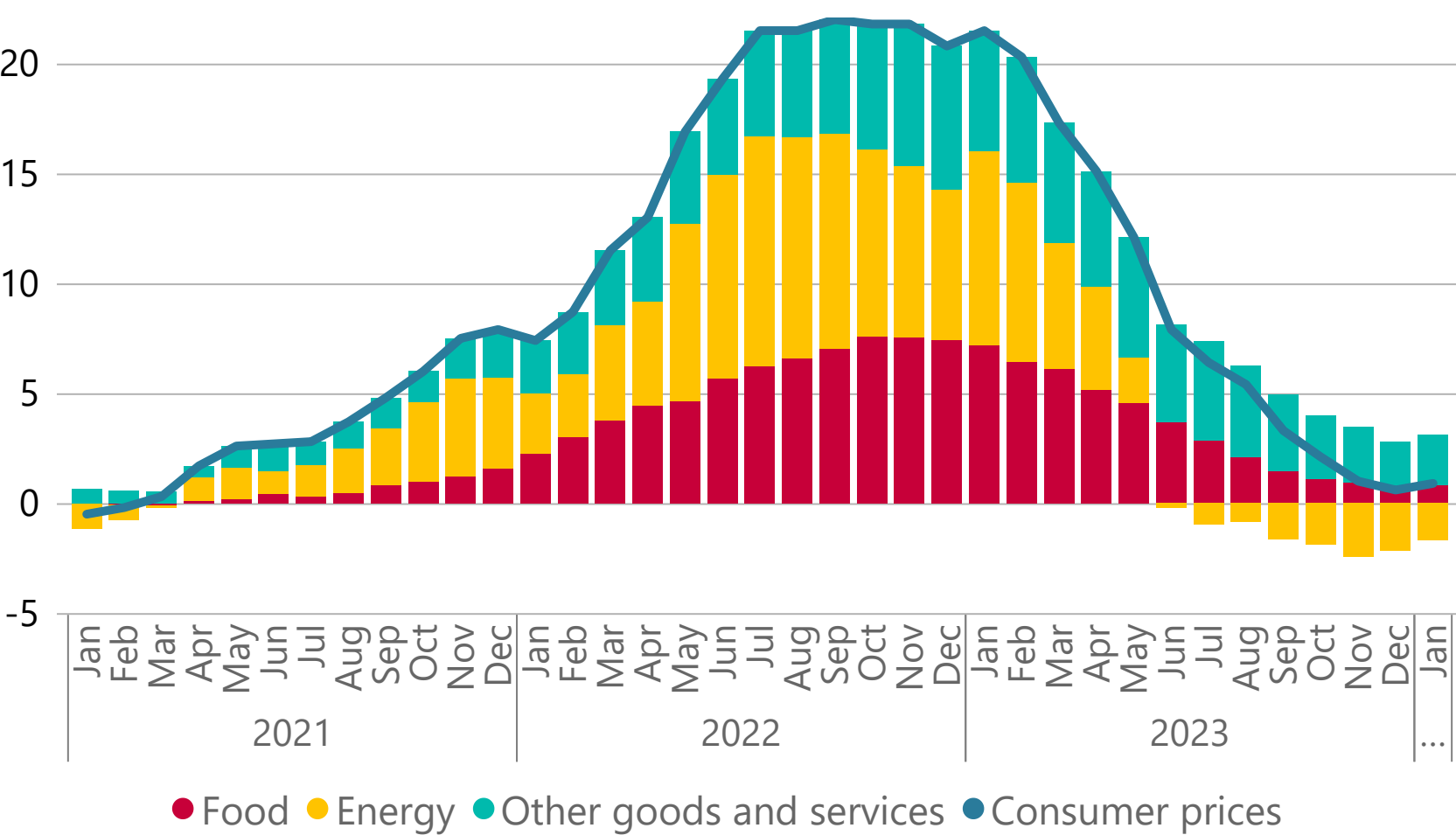
January 2023

Producer price rise

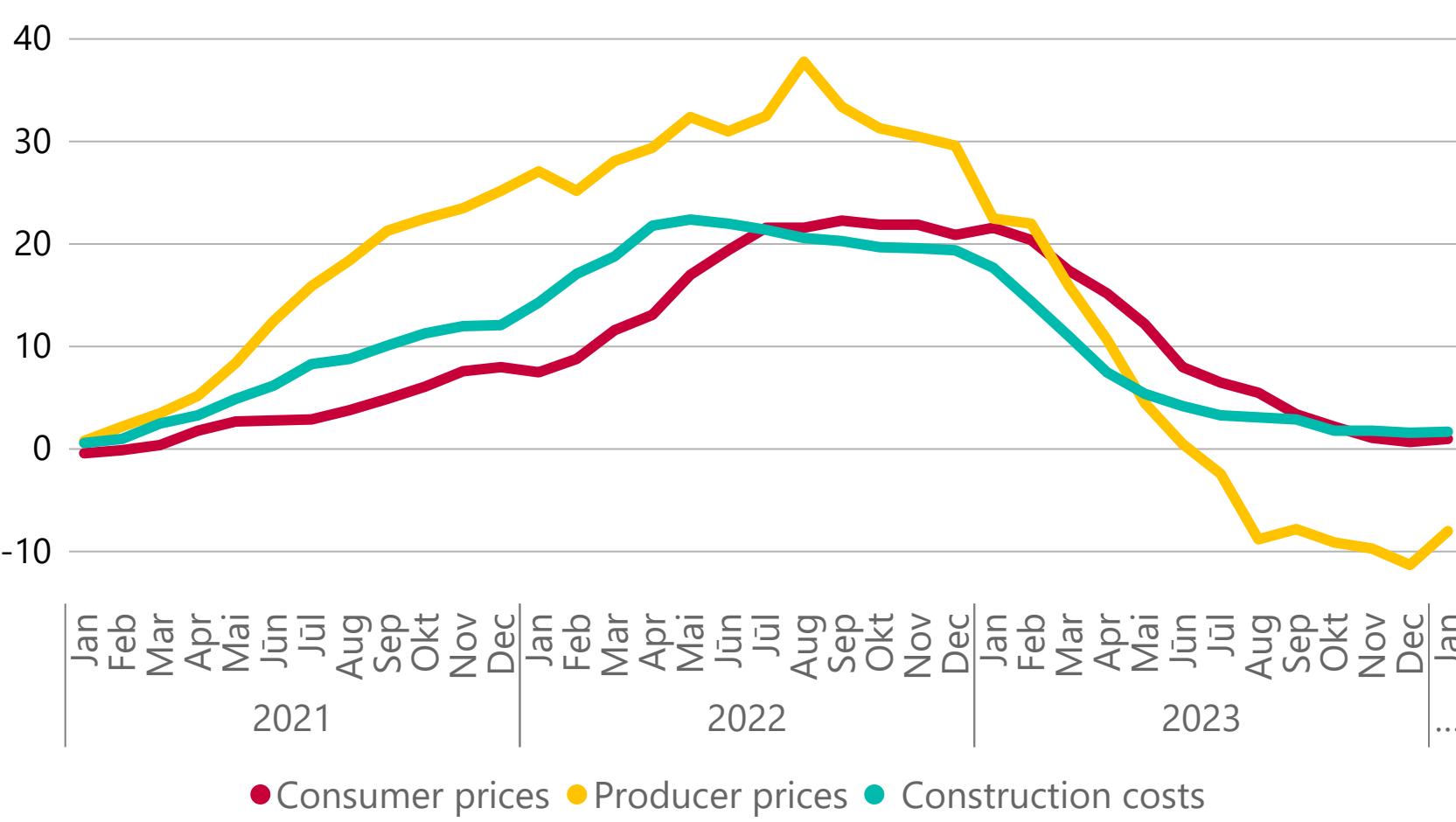
-8.1%

January 2023

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

Registered unemployment

5.7%

January 2023

Labour force survey

7.1%

January 2023

Private sector

1 586€
(+10.1% YoY)
4Q 2023

WAGE

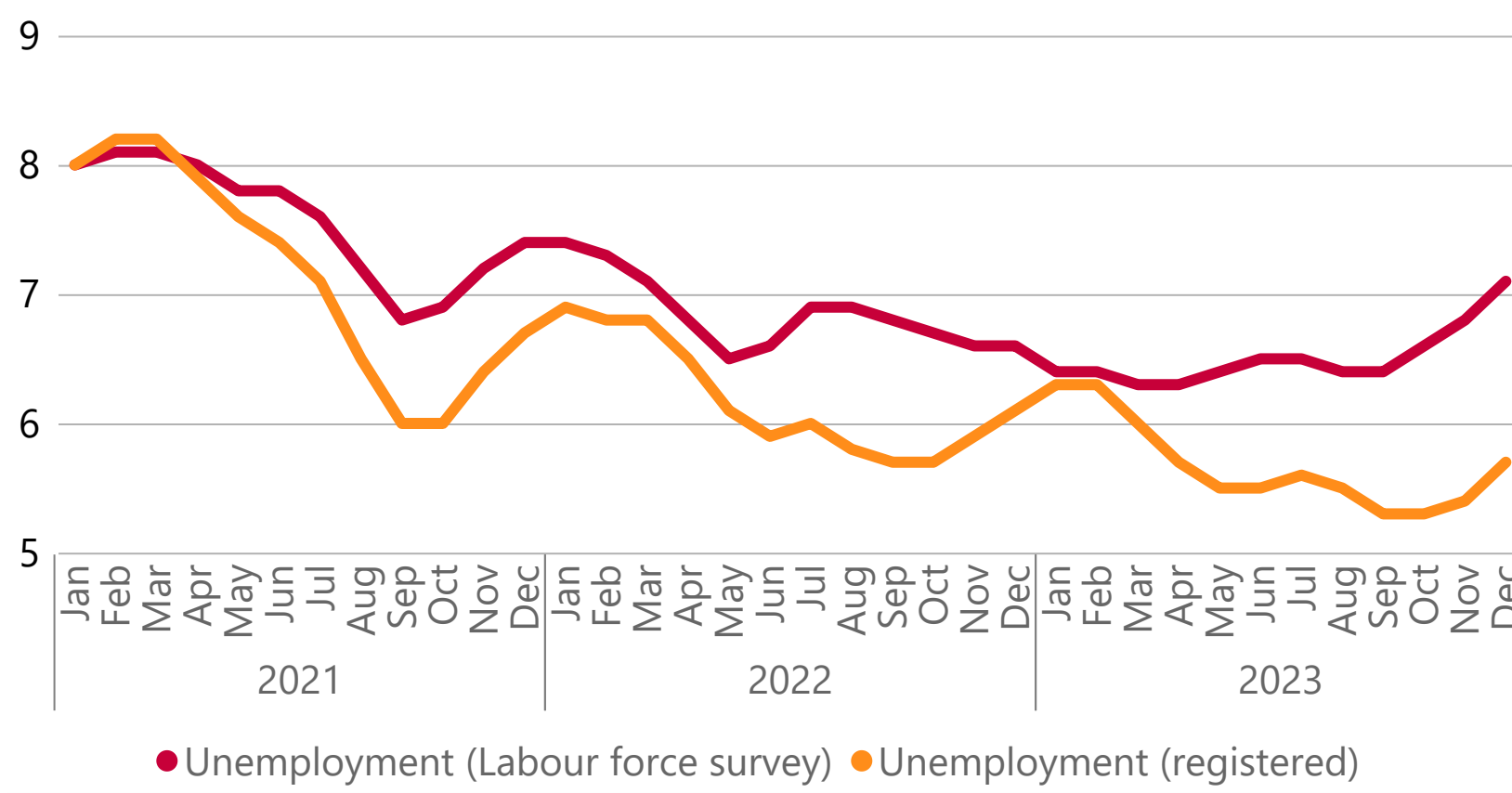
Public sector

1 669€
(+15.0% YoY)
4Q 2023

Total

1 610€
(+11.6% YoY)
4Q 2023

Unemployment rate, %



GENERAL GOVERNMENT BUDGET

General government budget balance
2023

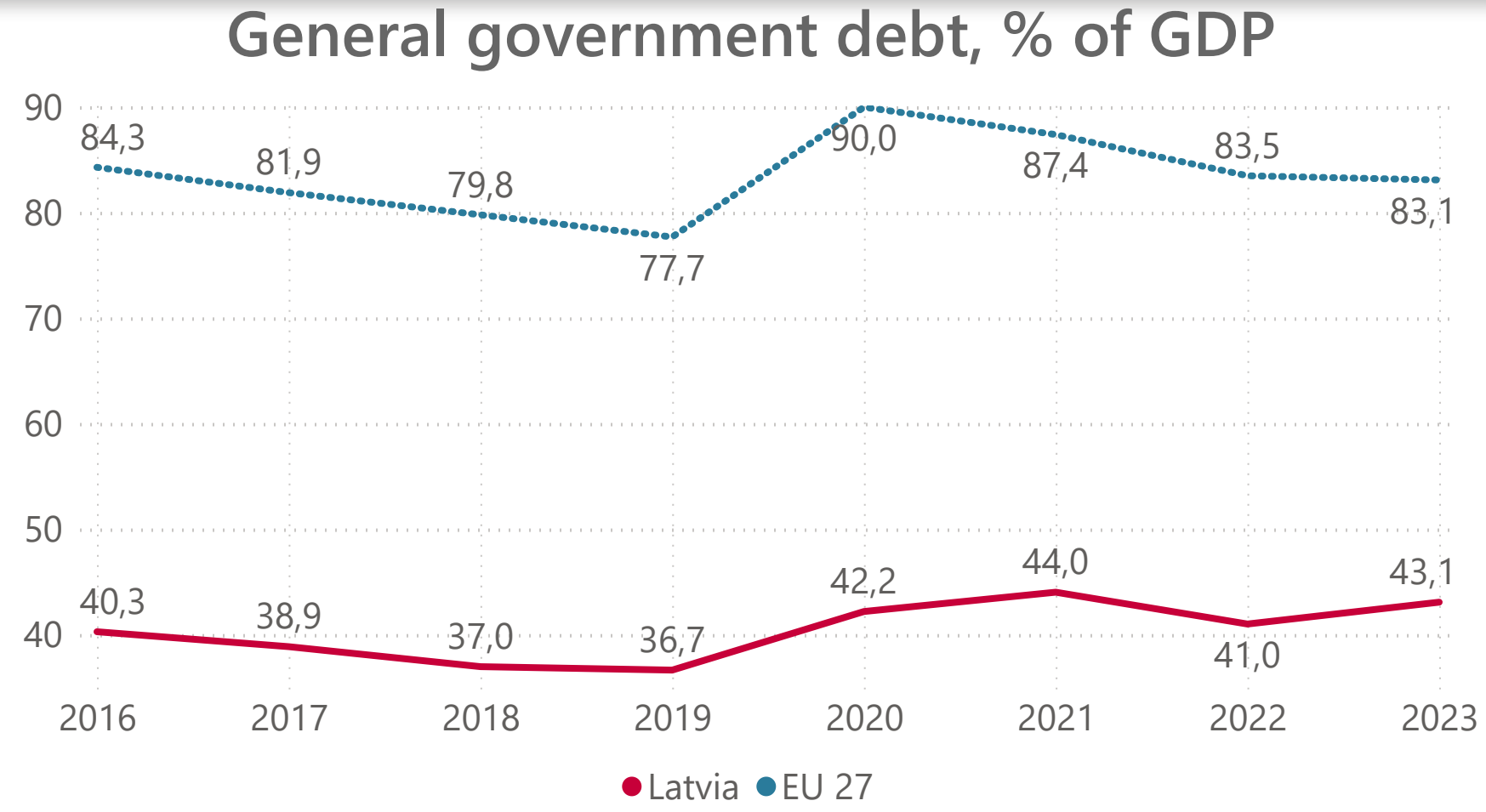
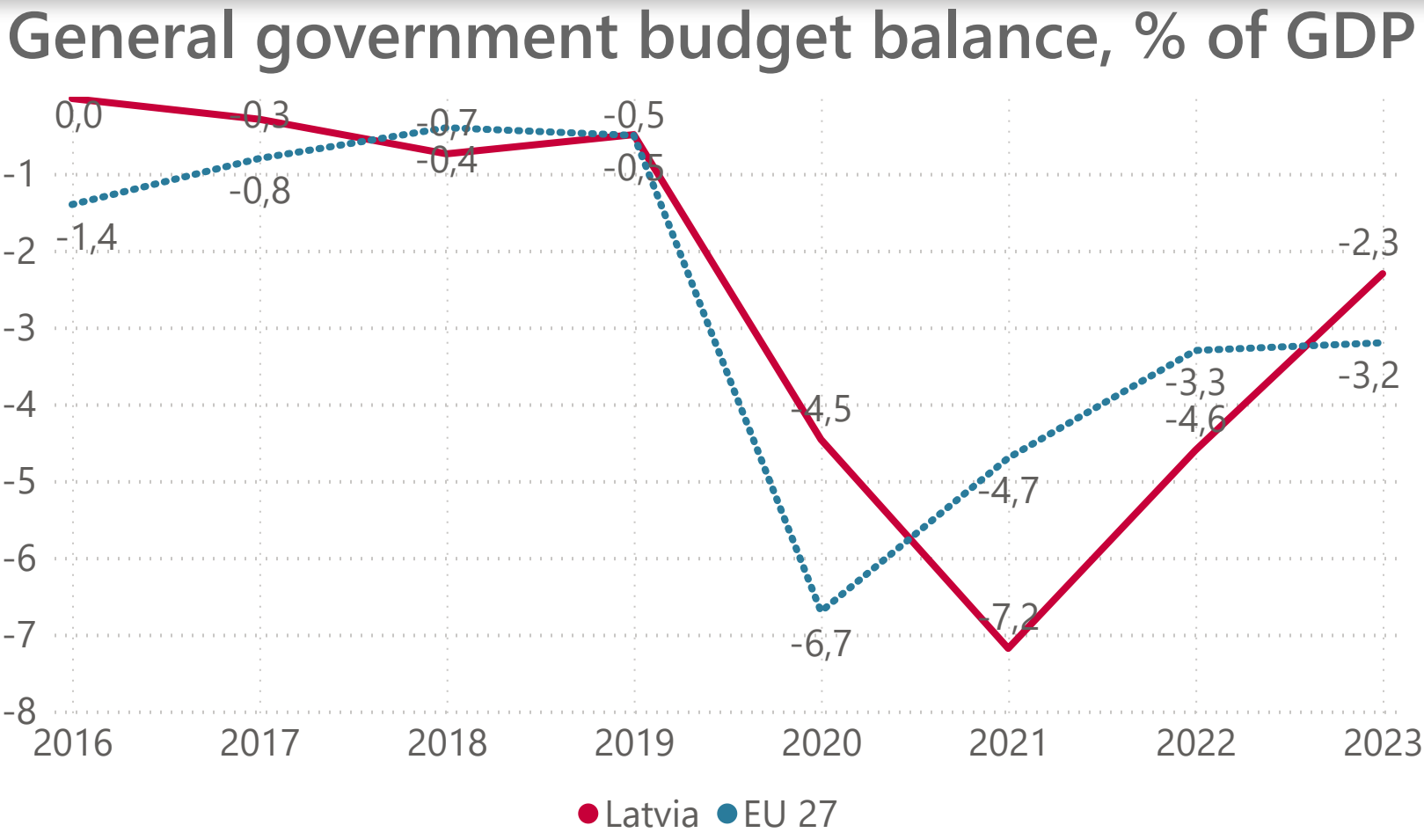
-2.3% of GDP

Assessment of MoF, January 2024

General government debt 2023

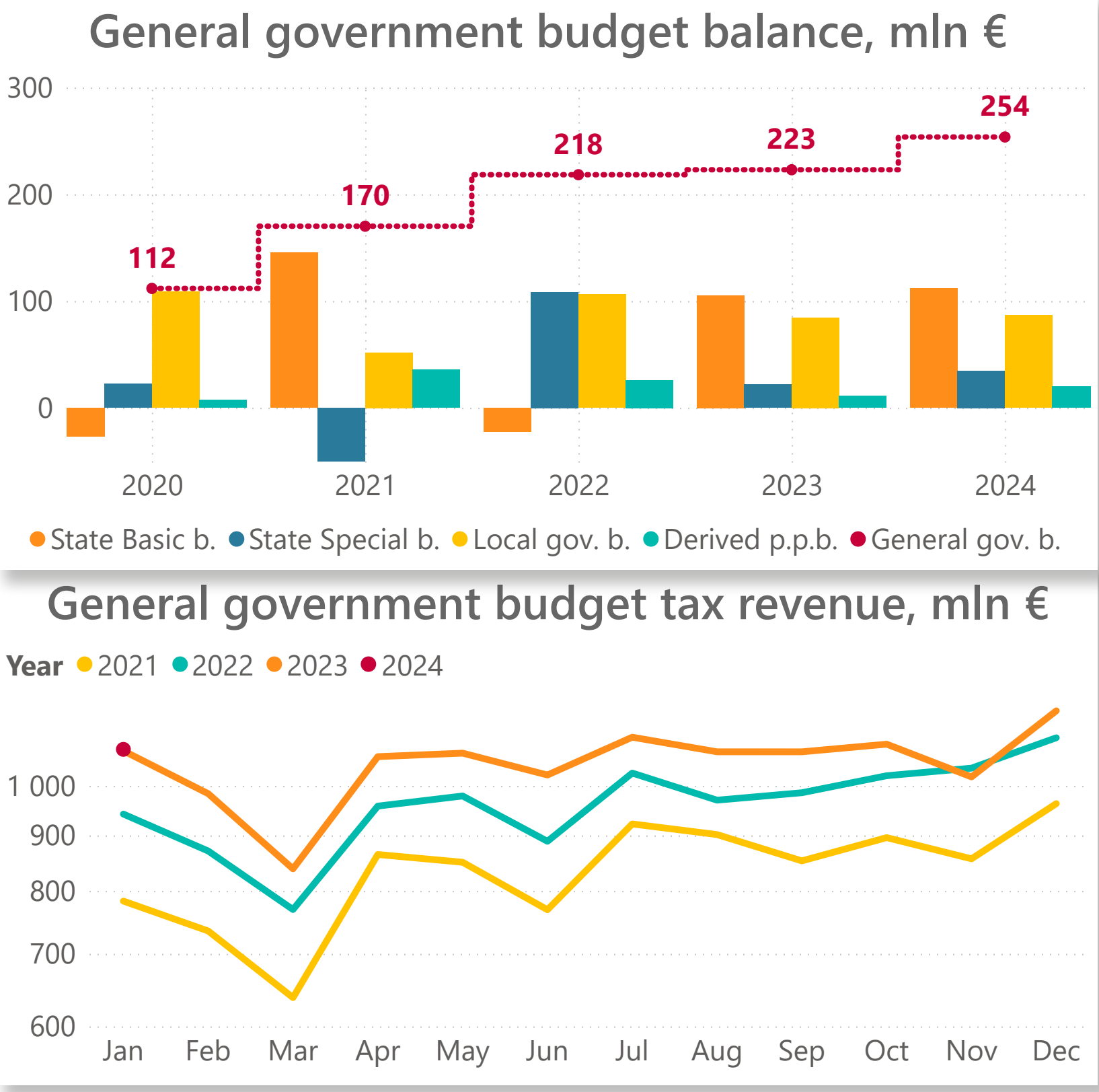
43.1% of GDP

Assessment of State Treasury, January 2024



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

GENERAL GOVERNMENT BUDGET JANUARY 2024
ON CASH BASIS



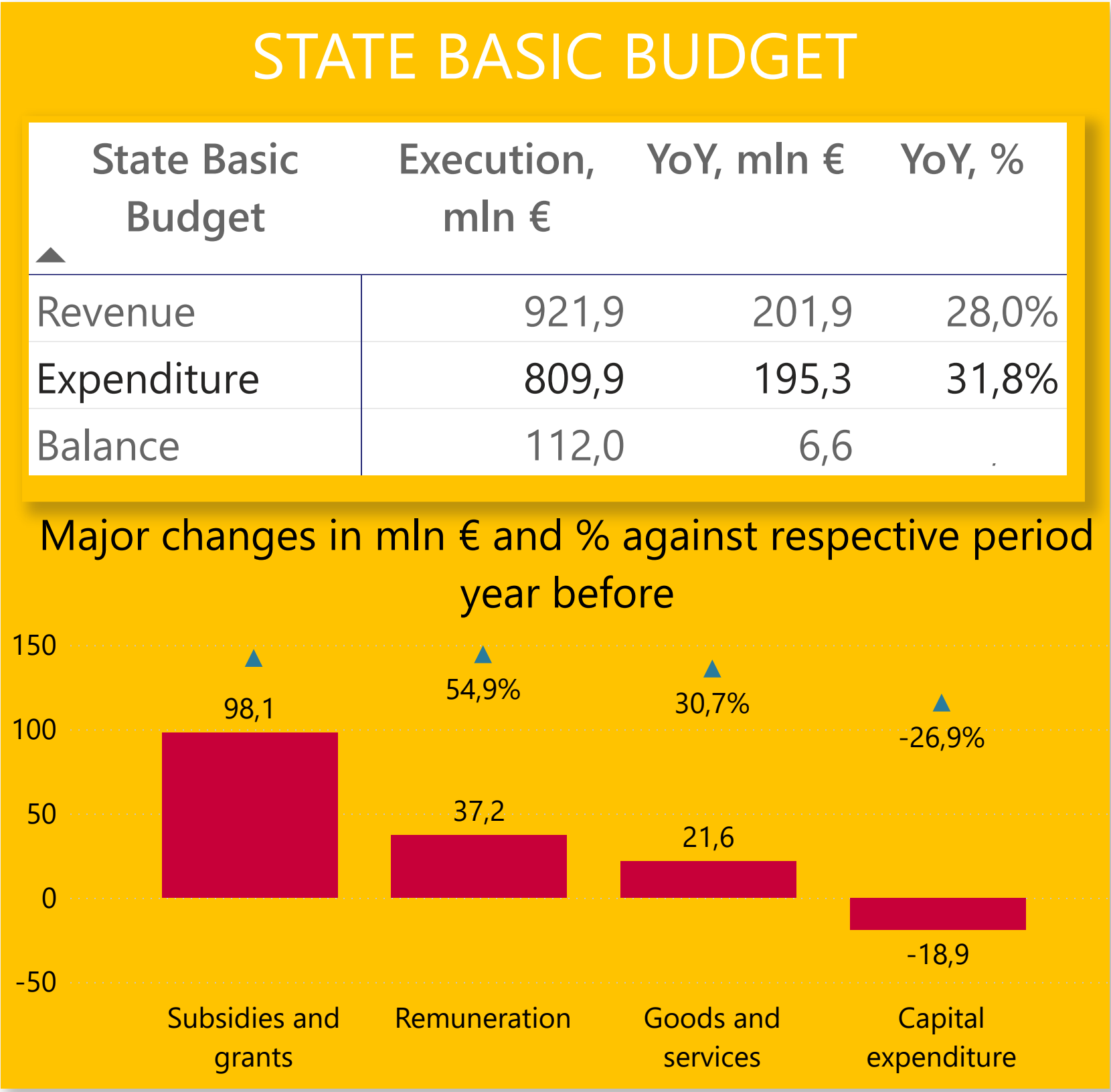
Source: Treasury.

General government budget tax revenue in January 2024 including revenue in the single tax account -144.8 mln € and not included SSC revenues in 2nd pension tier 66.6 mln €.

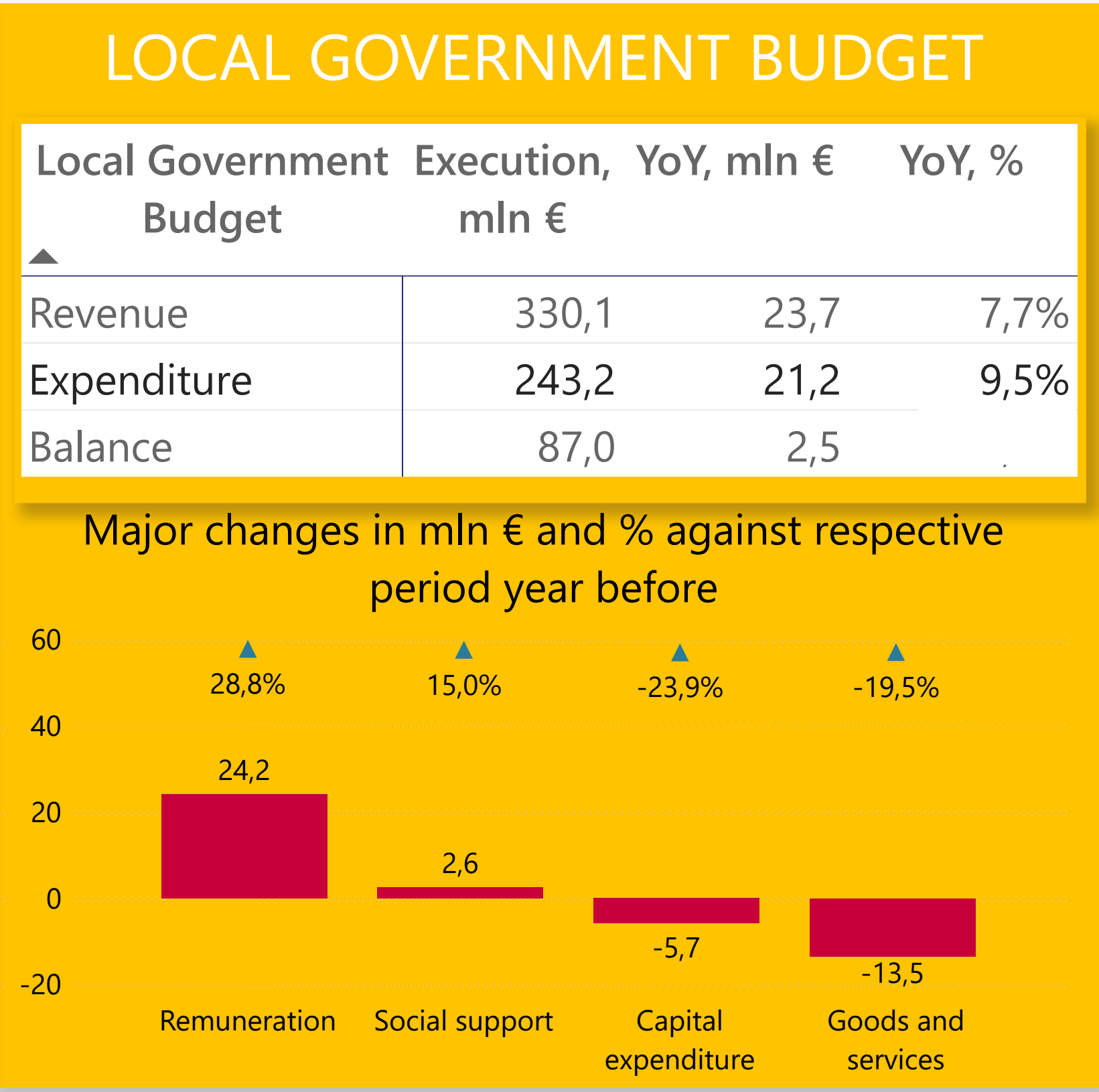
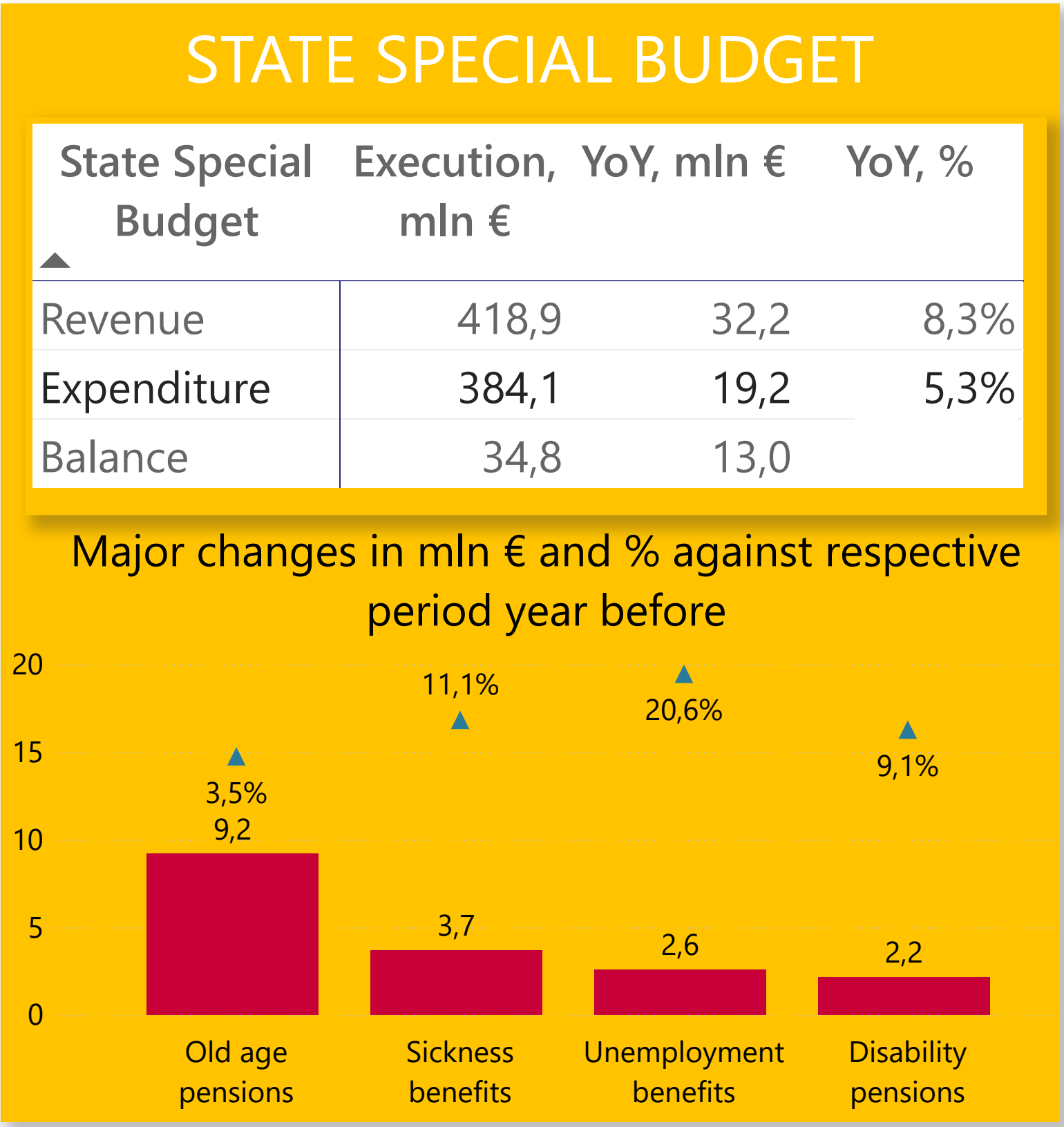
General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue	1 557,4	249,9	19,1%
Expenditure	1 303,6	219,2	20,2%
Balance	253,7	30,7	

General government budget tax revenue	Execution, mln €	YoY, mln €	YoY,%
SSC	397,7	26,0	7,0%
VAT	342,5	-43,6	-11,3%
PIT	270,2	30,6	12,8%
EXCISE	100,8	-0,9	-0,9%
CIT	66,3	4,6	7,4%

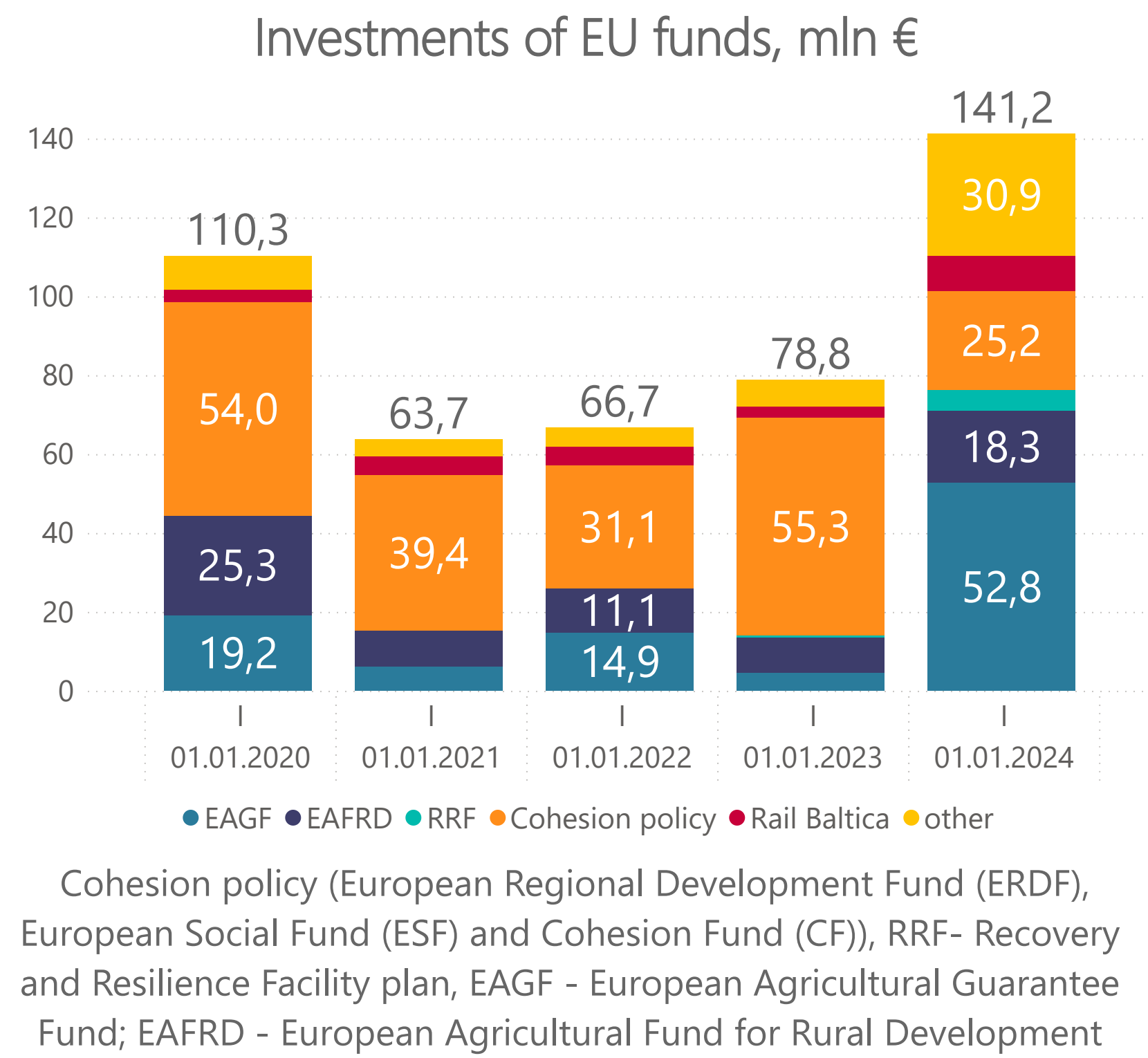
General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue			
Tax revenue	1 080,5	3,3	0,3%
Non tax revenue	91,7	44,8	95,5%
Self-earned revenue	57,3	8,1	16,6%
Foreign financial assistance	327,8	193,6	144,3%
Expenditure			
Remuneration	223,8	61,3	37,7%
Goods and services	159,8	7,1	4,6%
Interest payments	43,1	38,5	822,5%
Subsidies and grants	321,5	101,4	46,1%
Social support	456,5	24,2	5,6%
Payments to EU budget	21,0	-3,1	-12,7%
Capital expenditure	65,4	-15,2	-18,9%



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



EUROPEAN UNION FUNDS



Source: State Treasury

SOCIAL SUPPORT

Old age pensions recipients

436 288
(0.0% YoY)

January 2024

Old age pensions average amount

564€
(+ 6.9% YoY)

January 2024

Unemployment benefit recipients

32 208
(+ 8.4% YoY)

January 2024

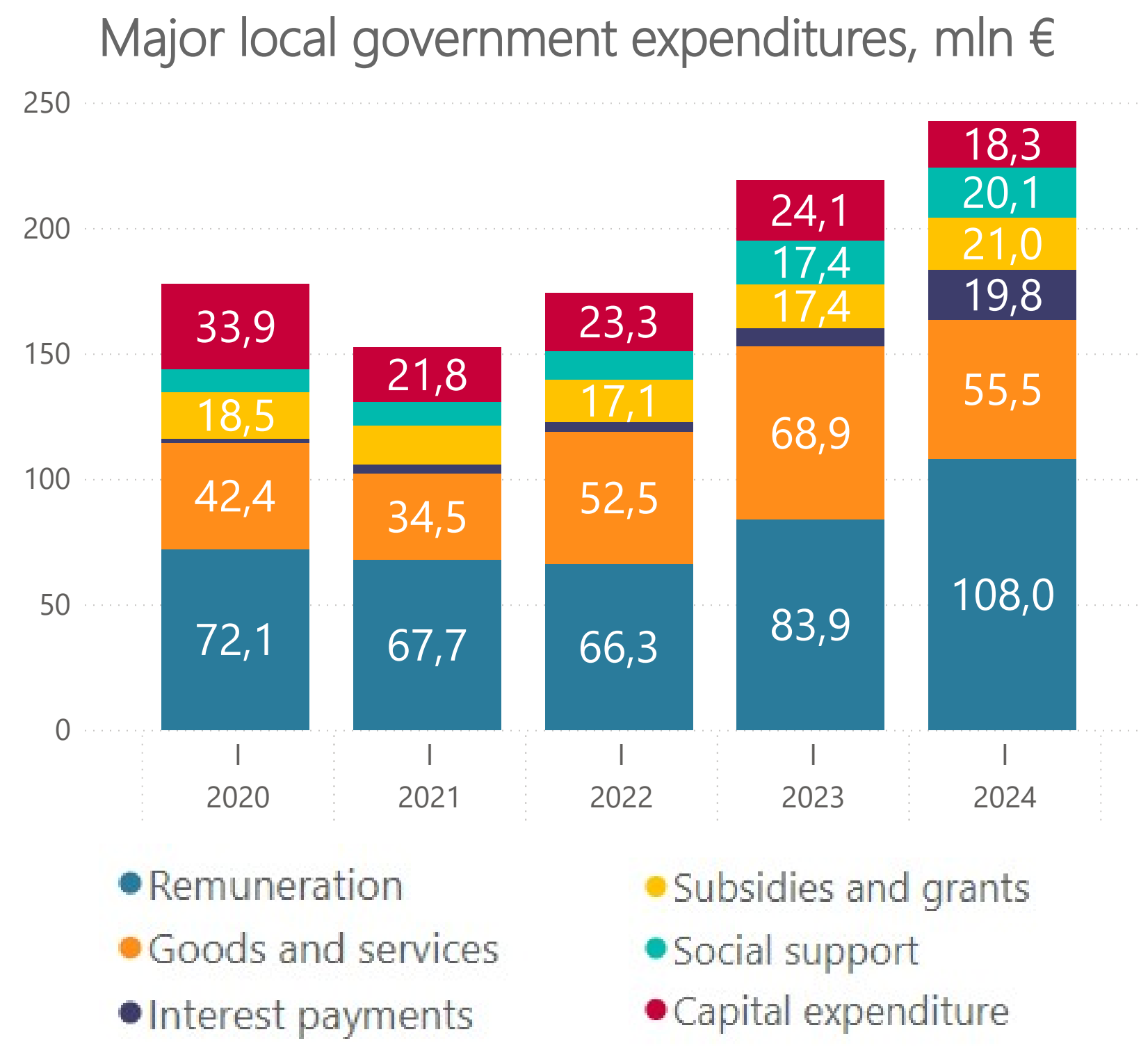
Unemployment benefit average amount

466€
(+ 10.5% YoY)

January 2024

Source: State Social Insurance Agency (SSIA)

LOCAL GOVERNMENT EXPENDITURE



Source: State Treasury