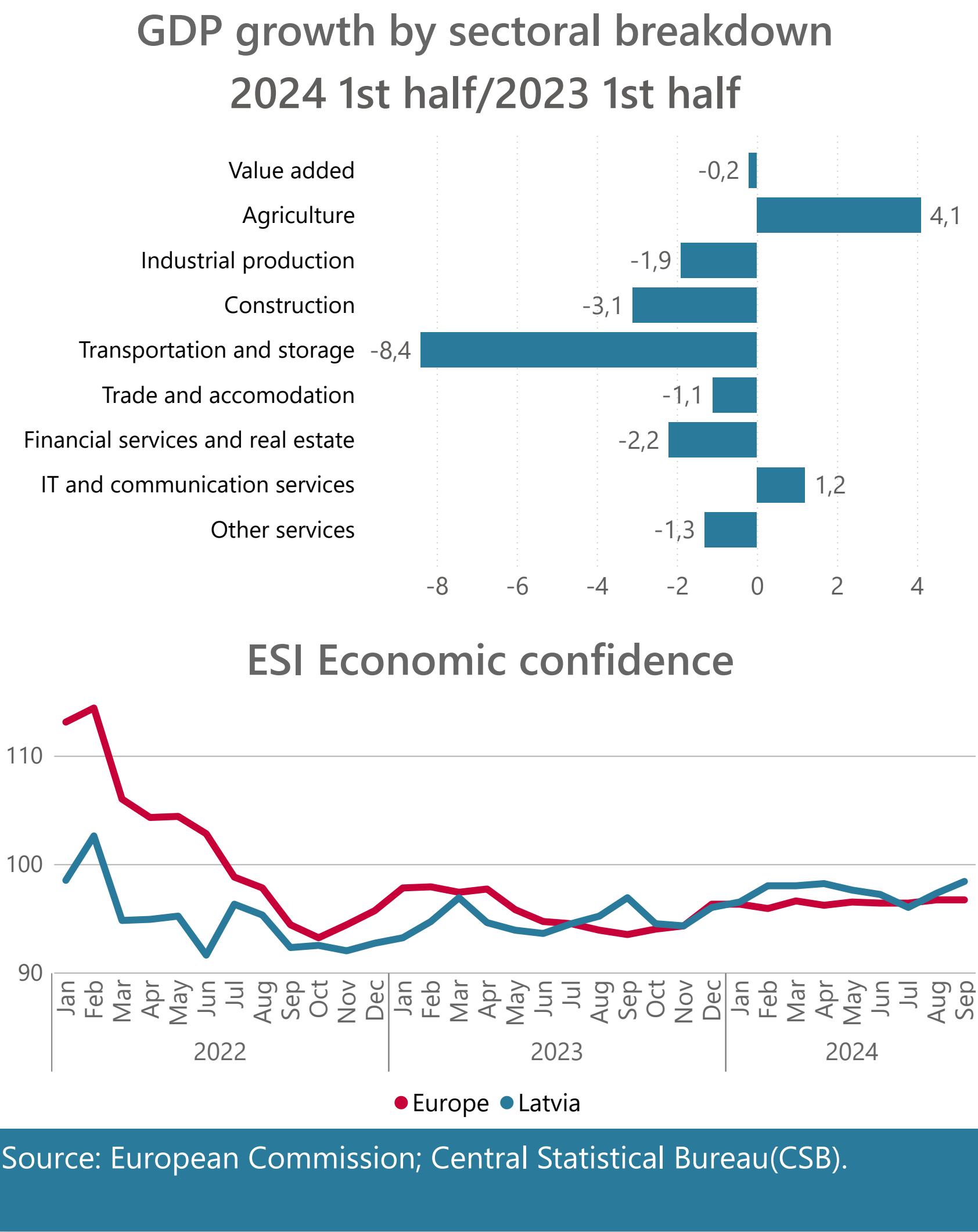


MACROECONOMIC AND BUDGETARY REVIEW 2024

No 8

GROSS DOMESTIC PRODUCT (GDP)

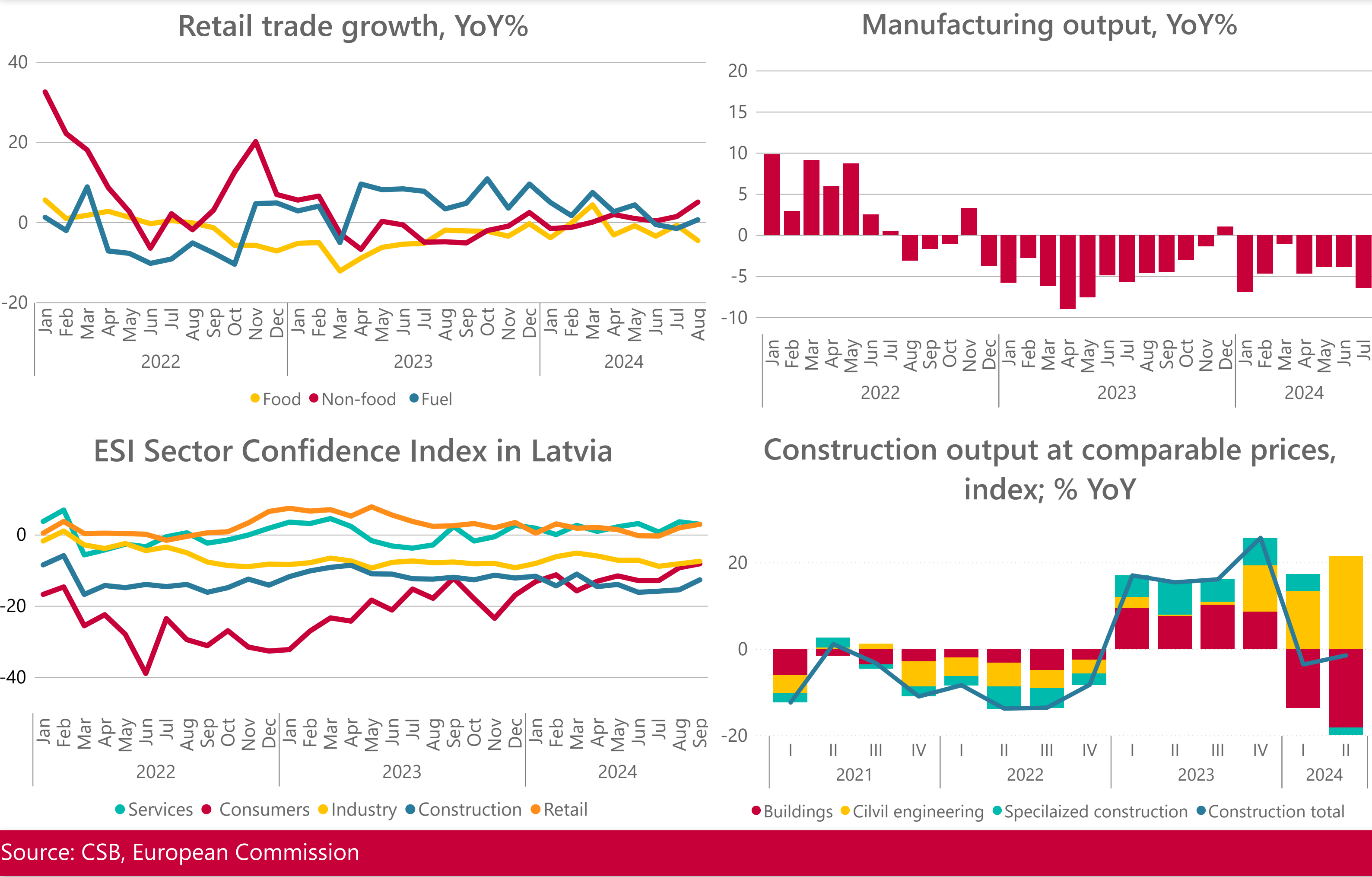


MAIN MACROECONOMIC INDICATORS

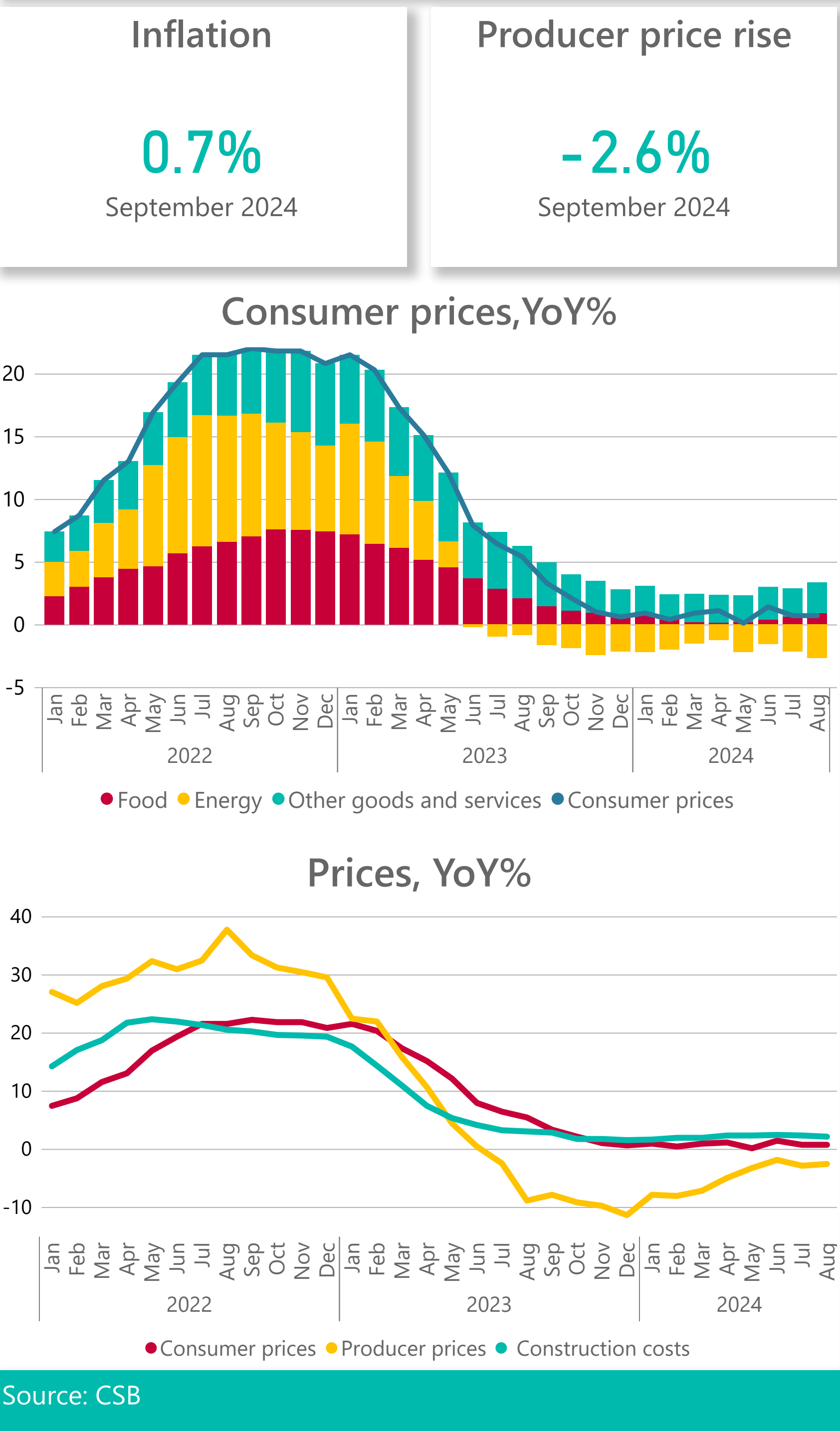
Indicator	2019	2020	2021	2022	2023	2024*	2025*	2026*	2027*	2028*
Nominal GDP growth, %	4,9	-1,5	10,8	15,1	5,1	3,8	5,9	5,5	5,4	5,1
Real GDP growth, %	0,6	-3,5	6,7	3	-0,3	1,4	2,9	2,8	2,6	2,3
GDP deflator, % change	4,3	2,1	3,8	11,8	5,4	2,4	2,9	2,7	2,7	2,7
Consumer price index, % change	2,8	0,2	3,3	17,3	8,9	1,2	2,2	2,5	2,5	2,5
Average monthly gross wage, EUR	1076	1143	1277	1373	1537	1655	1760	1865	1958	2056
nominal growth, %	7,2	6,2	11,7	7,5	11,9	7,7	6,3	6	5	5
real growth, %	4,2	6	8,2	-8,4	2,8	6,4	4	3,4	2,4	2,4
Number of persons employed, thsd	910	893	864	886	884	884	884	883	882	878
growth, %	0,1	-1,9	-3,2	2,6	-0,2	0	0	-0,1	-0,2	-0,4
Unemployment rate, %	6,3	8,1	7,6	6,9	6,5	6,7	6,3	6	5,5	4,9

Source: CSB (24.05.2024), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2024)

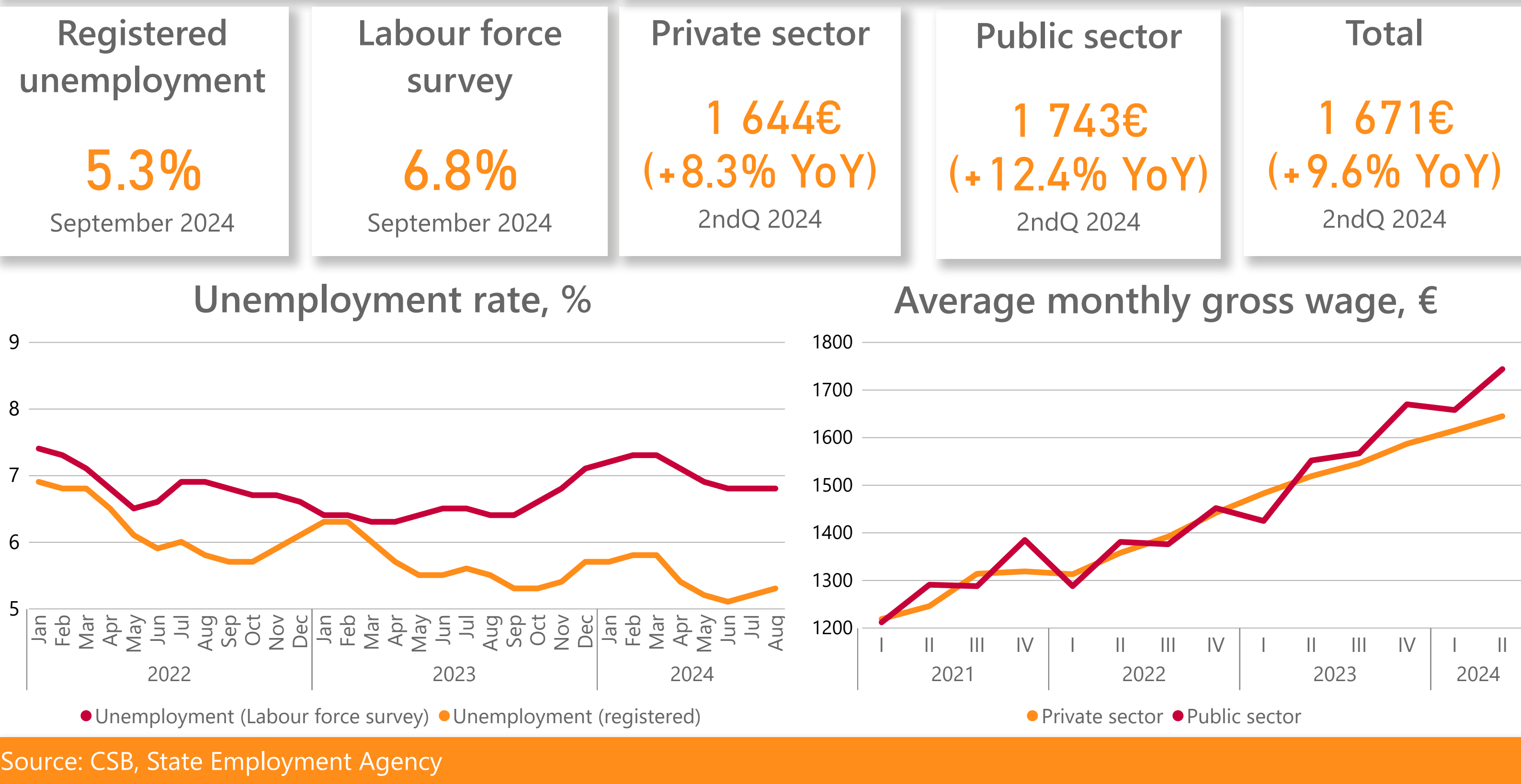
INDUSTRIES



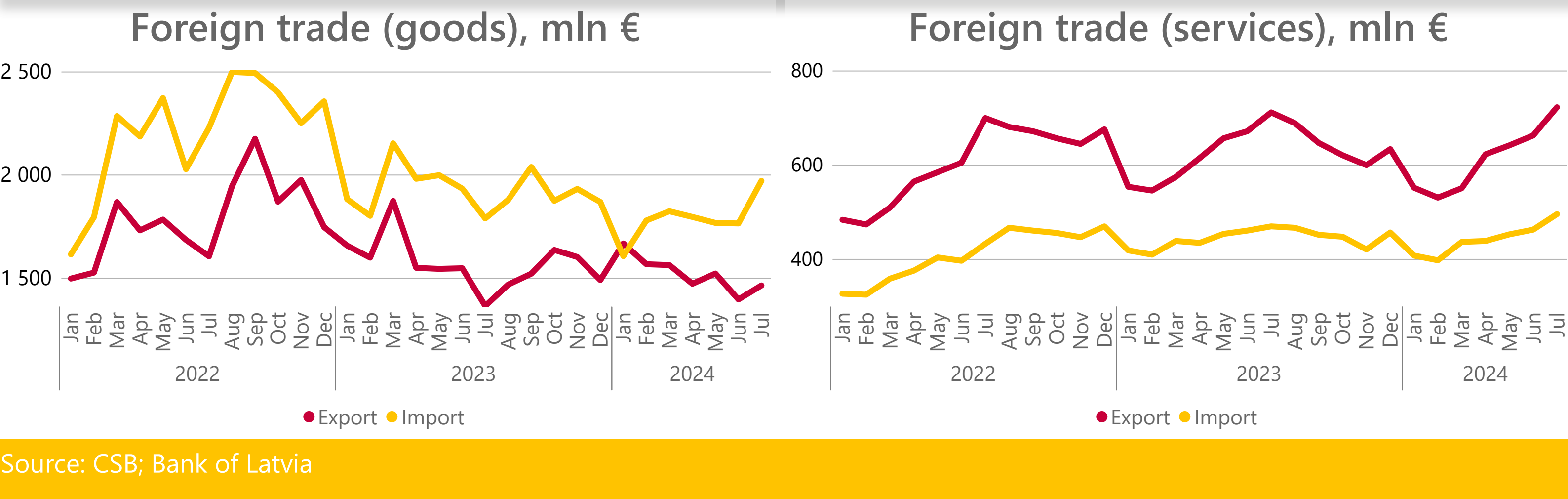
INFLATION



UNEMPLOYMENT



FOREIGN TRADE



GENERAL GOVERNMENT BUDGET

General government budget balance 2024

-2.6% of GDP

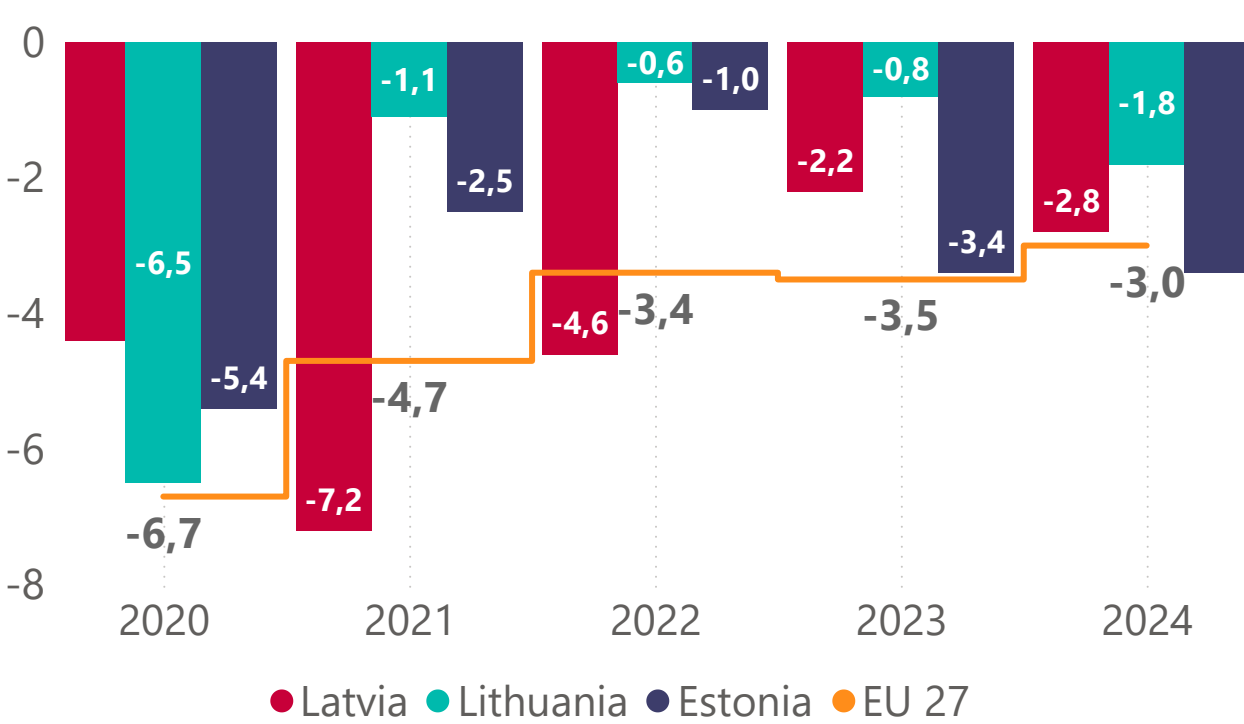
Forecast of MoF, August 2024

General government debt 2024

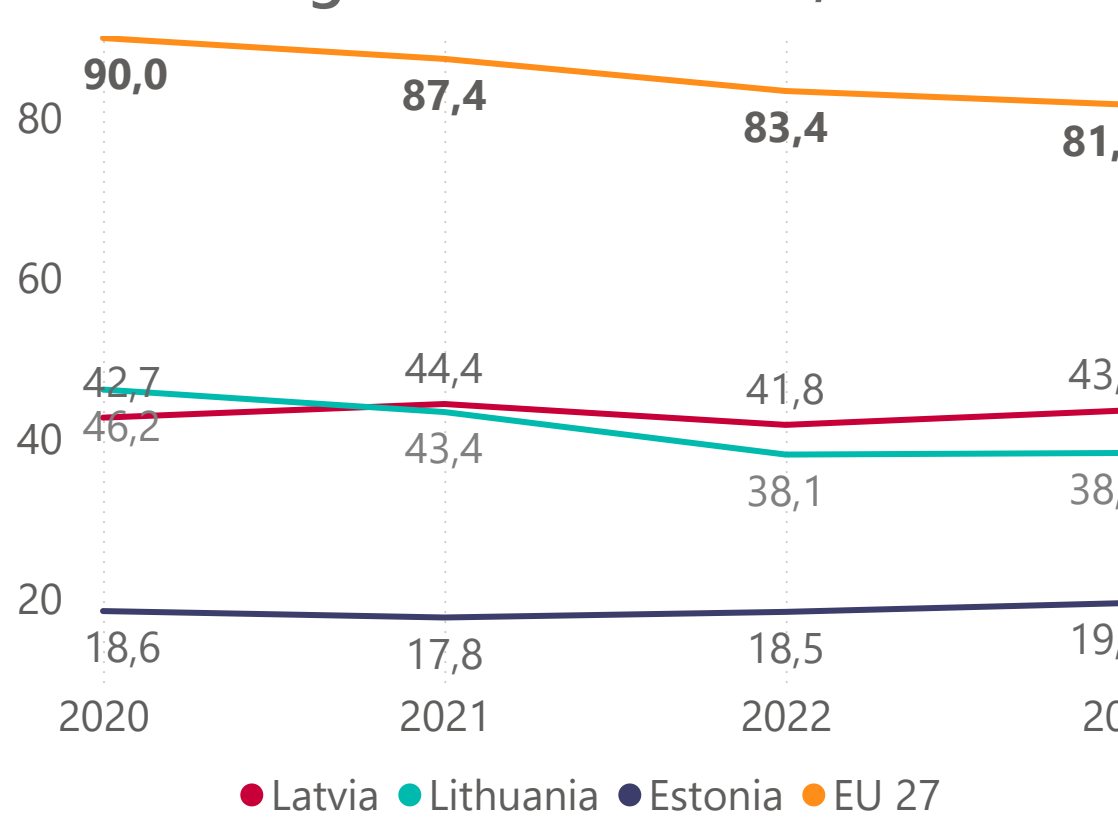
46% of GDP

Forecast of State Treasury, August 2024

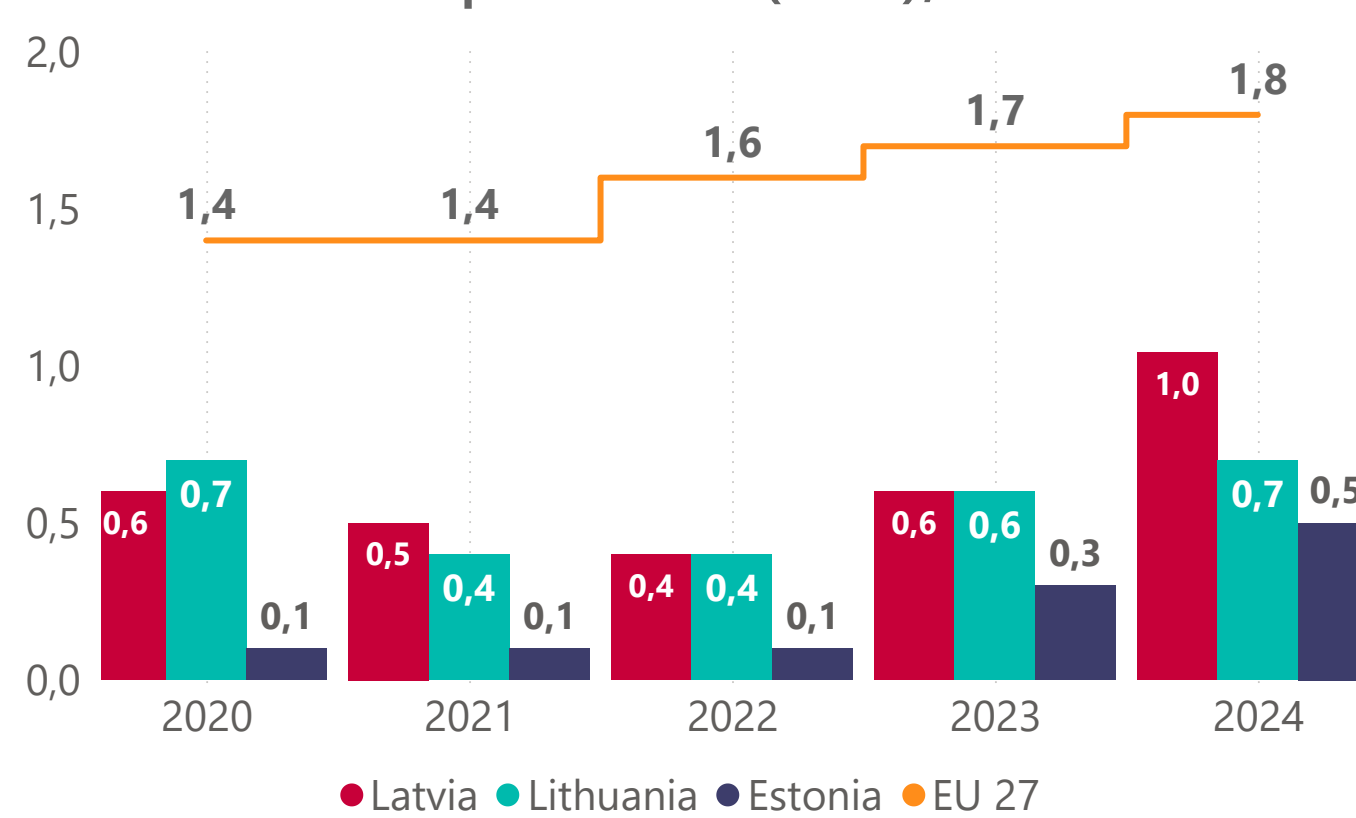
General government budget balance, % of GDP



General government debt, % of GDP



Interest expenditure (D.41), % of GDP

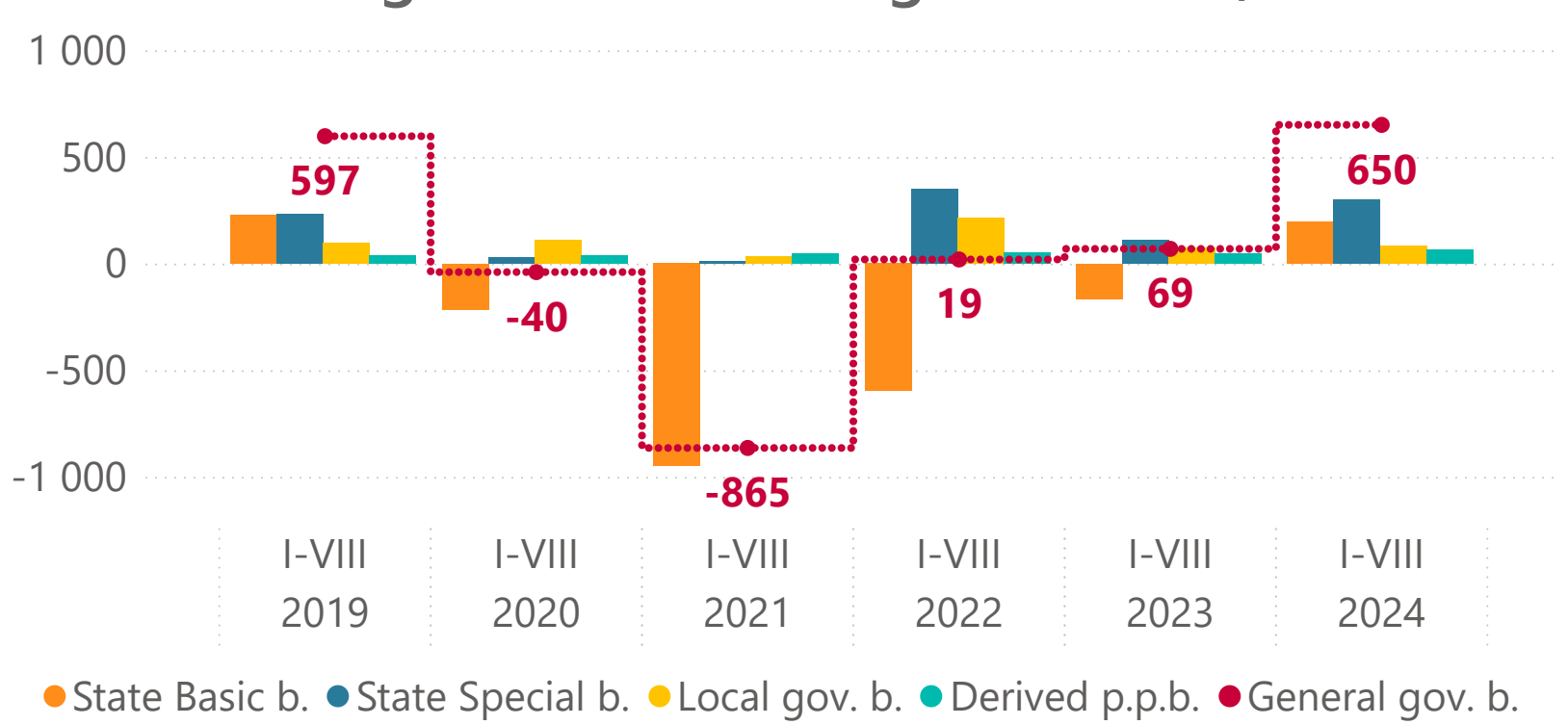


Source: Eurostat, European Commission forecasts Spring 2024 (AMECO)

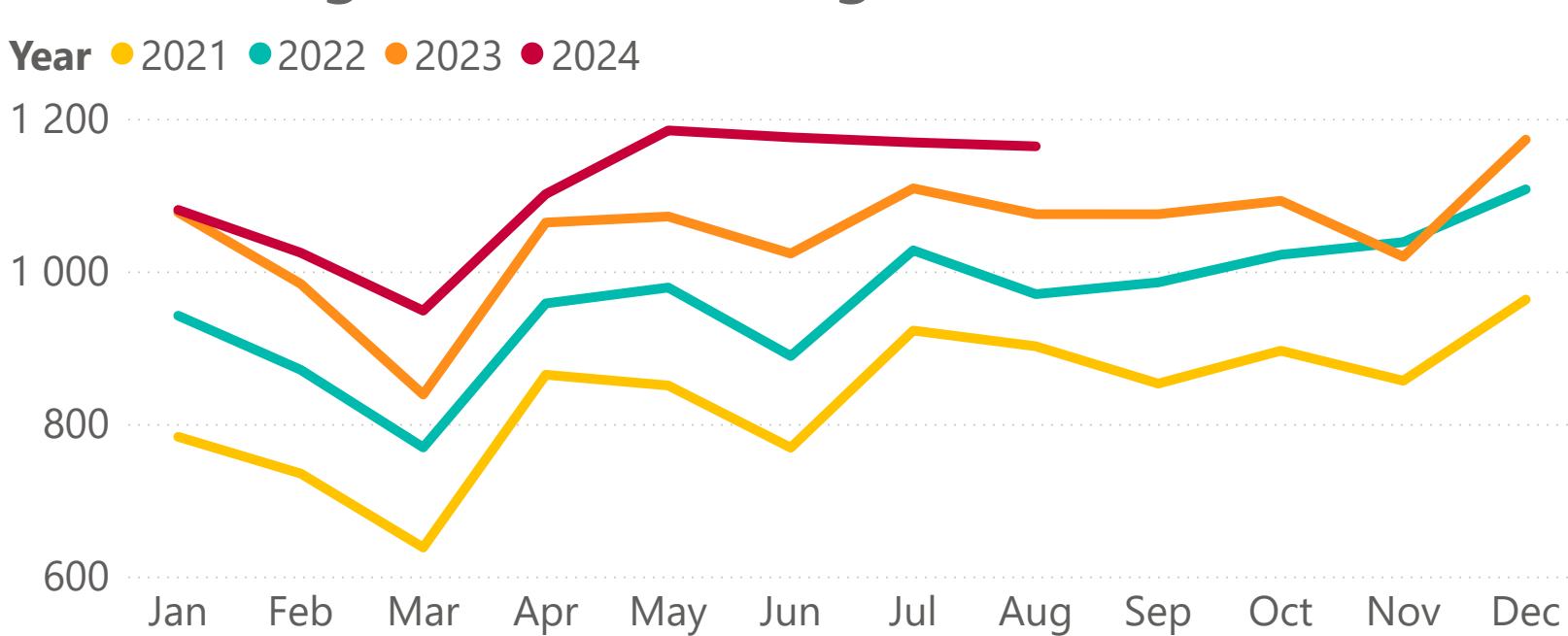
Source: Informative report "On forecasts of macroeconomic indicators, revenues and general government budget balance in 2024, 2025, 2026, 2027 and 2028" (August 20, 2024).

GENERAL GOVERNMENT BUDGET JANUARY-AUGUST 2024 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: State Treasury

General government budget tax revenue in January-July 2024, including revenue in the single tax account (-115,7mln €) and excluding SSC at the 2nd pension pillar (552,9 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 866,5	1 464,8	14,1%
Expenditure	11 216,4	883,6	8,6%
Balance	650,1	581,3	

Revenue	11 866,5	1 464,8	14,1%
Expenditure	11 216,4	883,6	8,6%
Balance	650,1	581,3	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	2 957,4	292,2	11,0%
VAT	2 483,6	-99,3	-3,8%
PIT	1 783,9	203,8	12,9%
EXCISE	789,8	15,5	2,0%
CIT	533,8	132,8	33,1%

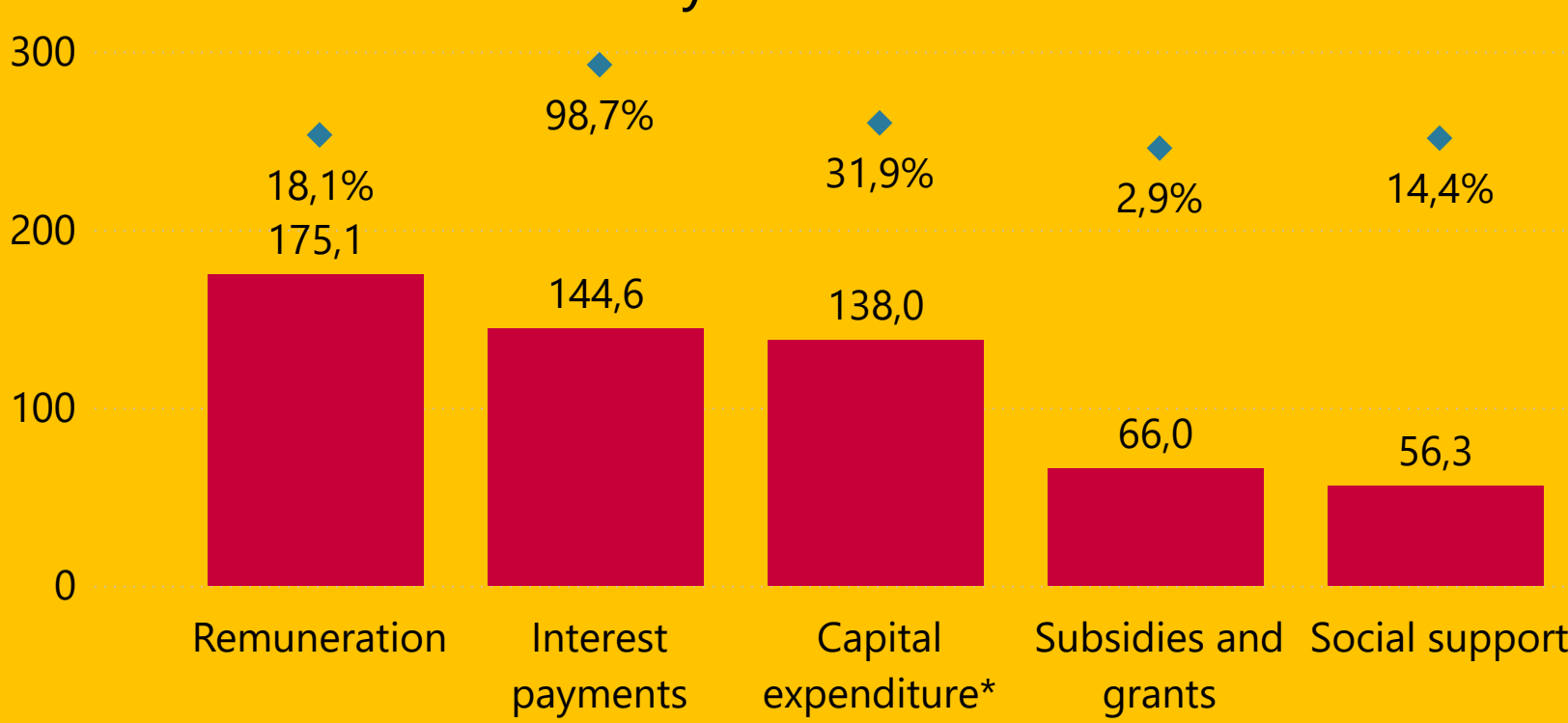
General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	8 847,2	605,7	7,3%
Non tax revenue	962,7	159,0	19,8%
Self-earned revenue	366,8	27,7	8,2%
Foreign financial assistance	1 688,5	672,4	66,2%
Expenditure			
Remuneration	2 622,3	387,6	17,3%
Goods and services	1 222,0	-22,7	-1,8%
Interest payments	302,1	134,0	79,7%
Subsidies and grants	2 522,4	68,6	2,8%
Social support	3 422,4	200,6	6,2%
Payments to EU budget	250,9	14,8	6,3%
Capital expenditure	810,0	84,2	11,6%

Revenue			
Tax revenue	8 847,2	605,7	7,3%
Non tax revenue	962,7	159,0	19,8%
Self-earned revenue	366,8	27,7	8,2%
Foreign financial assistance	1 688,5	672,4	66,2%
Expenditure			
Remuneration	2 622,3	387,6	17,3%
Goods and services	1 222,0	-22,7	-1,8%
Interest payments	302,1	134,0	79,7%
Subsidies and grants	2 522,4	68,6	2,8%
Social support	3 422,4	200,6	6,2%
Payments to EU budget	250,9	14,8	6,3%
Capital expenditure	810,0	84,2	11,6%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	7 116,9	1 021,2	16,8%
Expenditure	6 920,0	657,5	10,5%
Balance	196,9	363,6	

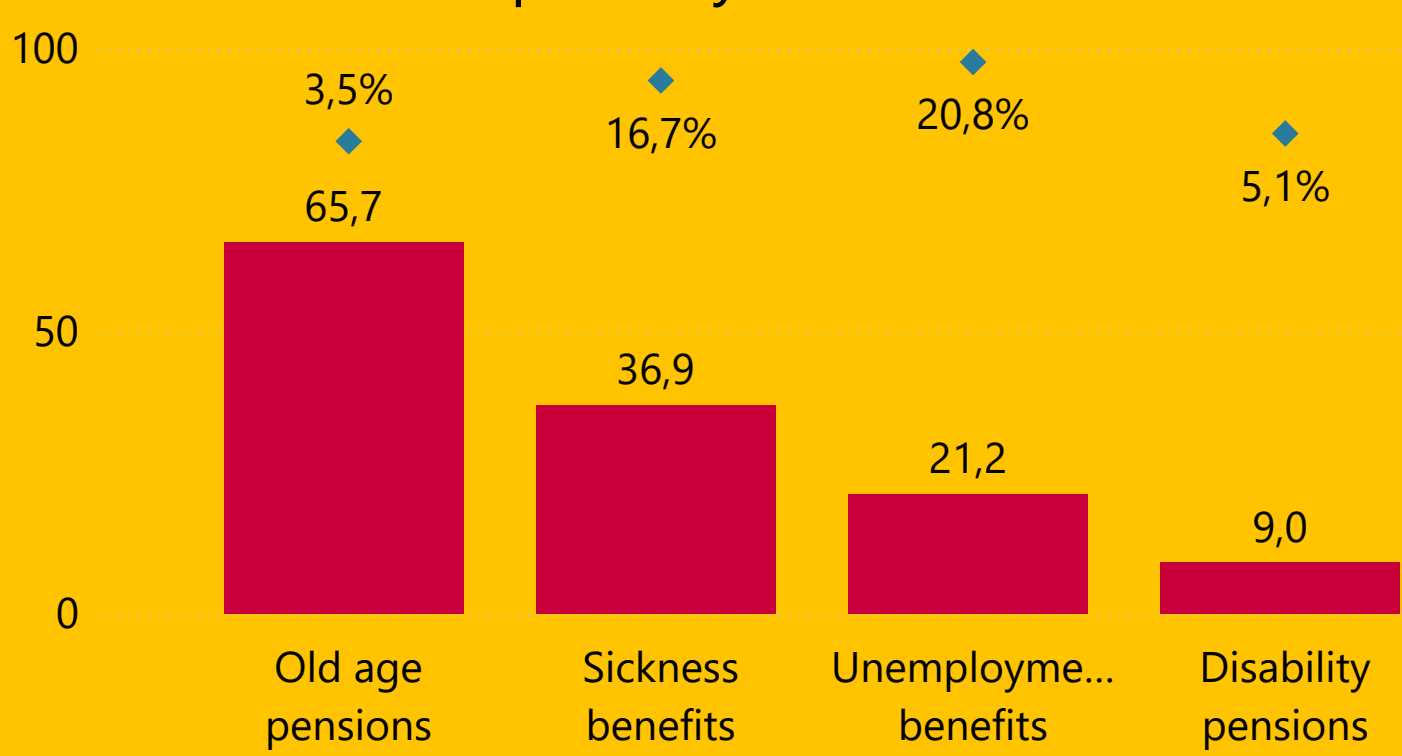
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 127,4	327,4	11,7%
Expenditure	2 826,5	139,4	5,2%
Balance	300,8	188,0	

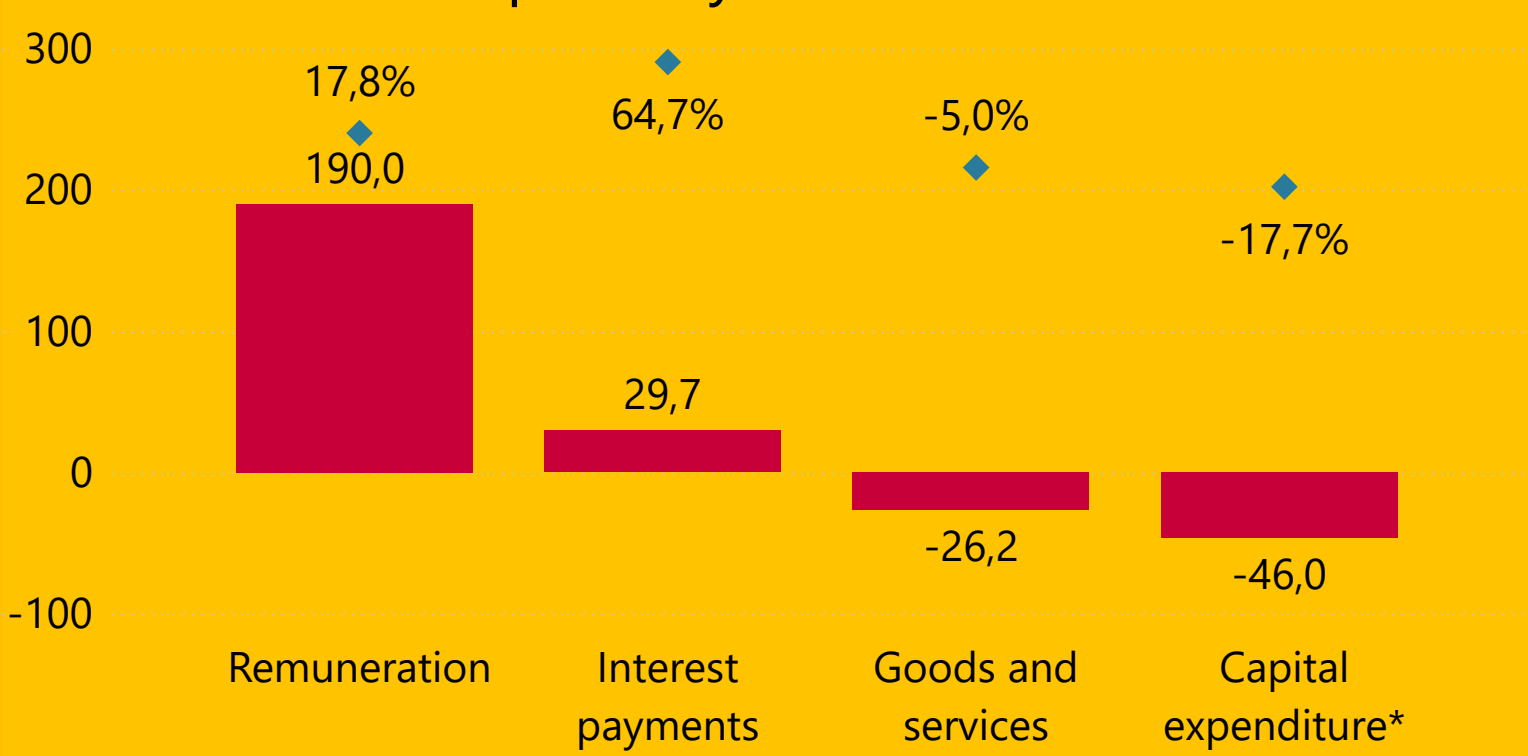
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 472,7	148,9	6,4%
Expenditure	2 387,8	138,2	6,1%
Balance	84,9	10,7	

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

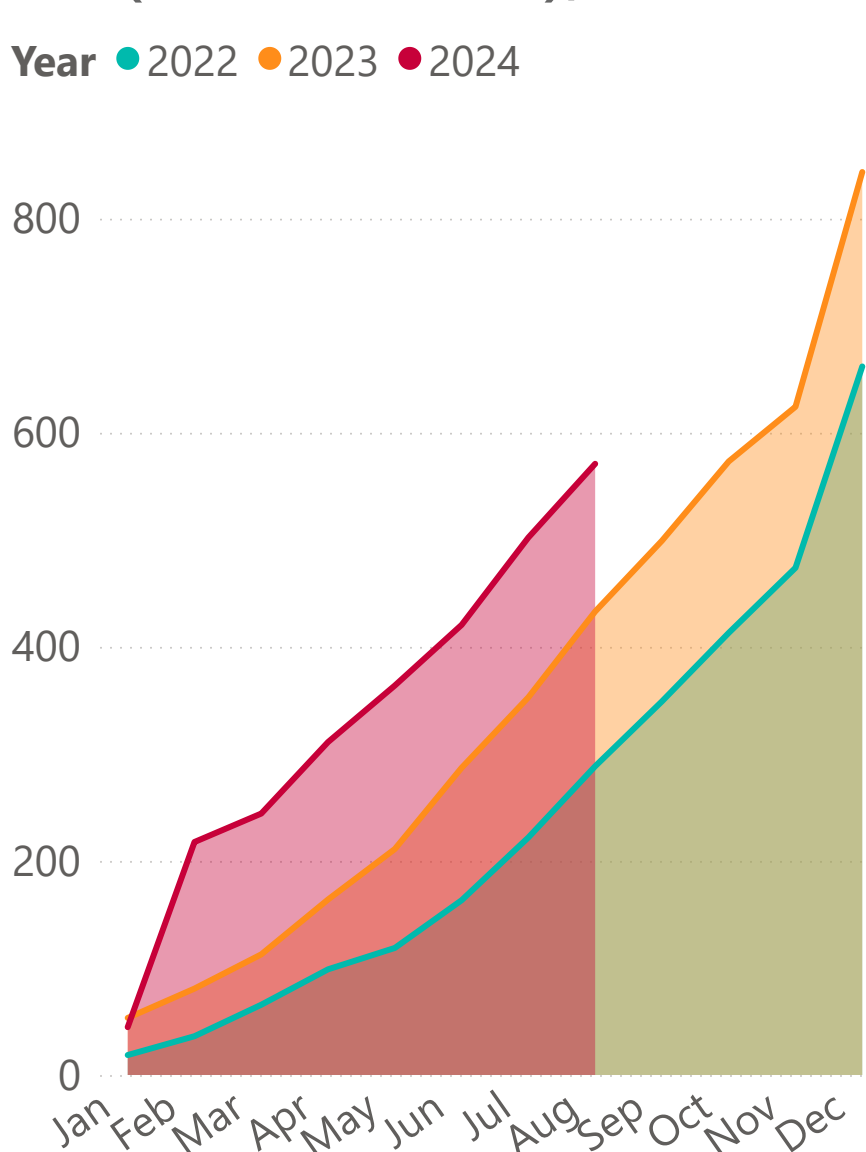


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

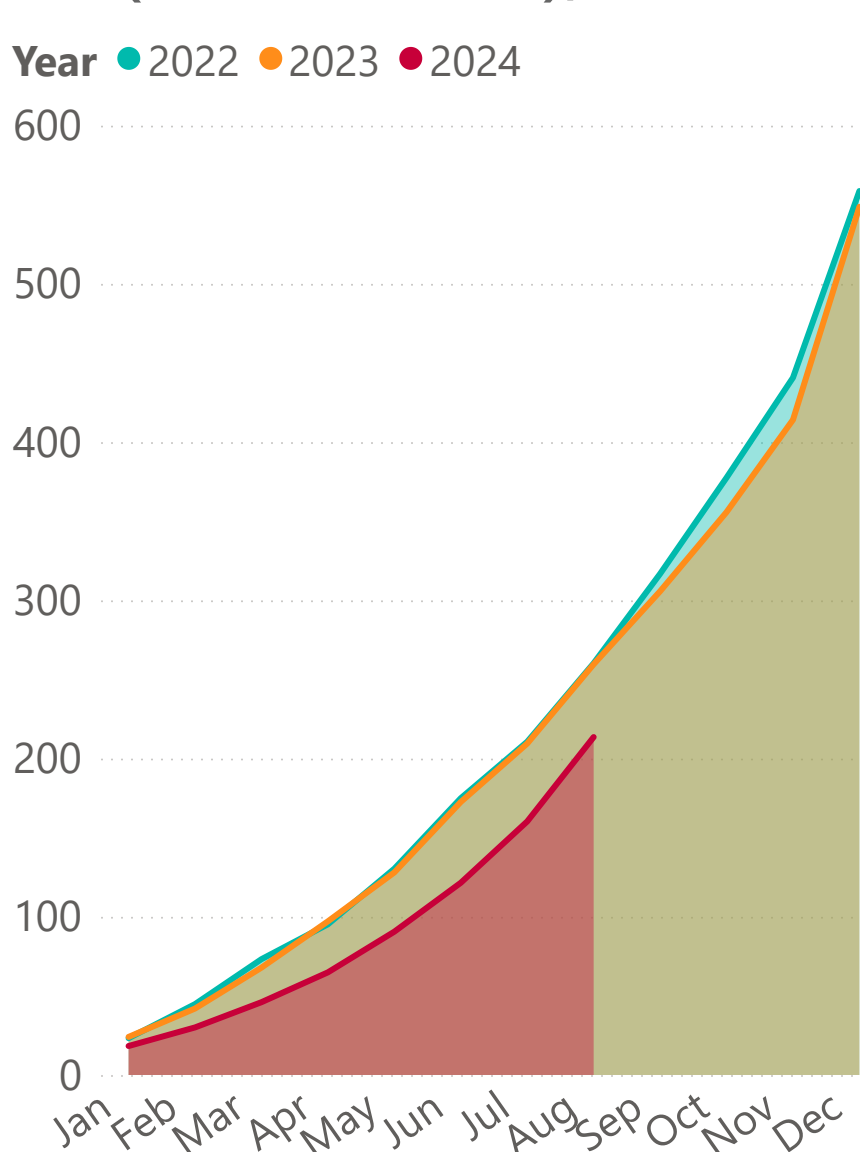
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

CAPITAL EXPENDITURE

State basic budget fixed capital formation (accumulated), mln €



Local government budget fixed capital formation (accumulated), mln €



Source: State Treasury

SOCIAL SECURITY

Old-age pensions recipients

431 273
(0.1% YoY)
August 2024

Unemployment benefit recipients

32 161
(+5.6% YoY)
August 2024

Old-age pensions average amount

571€
(+7.3% YoY)
August 2024

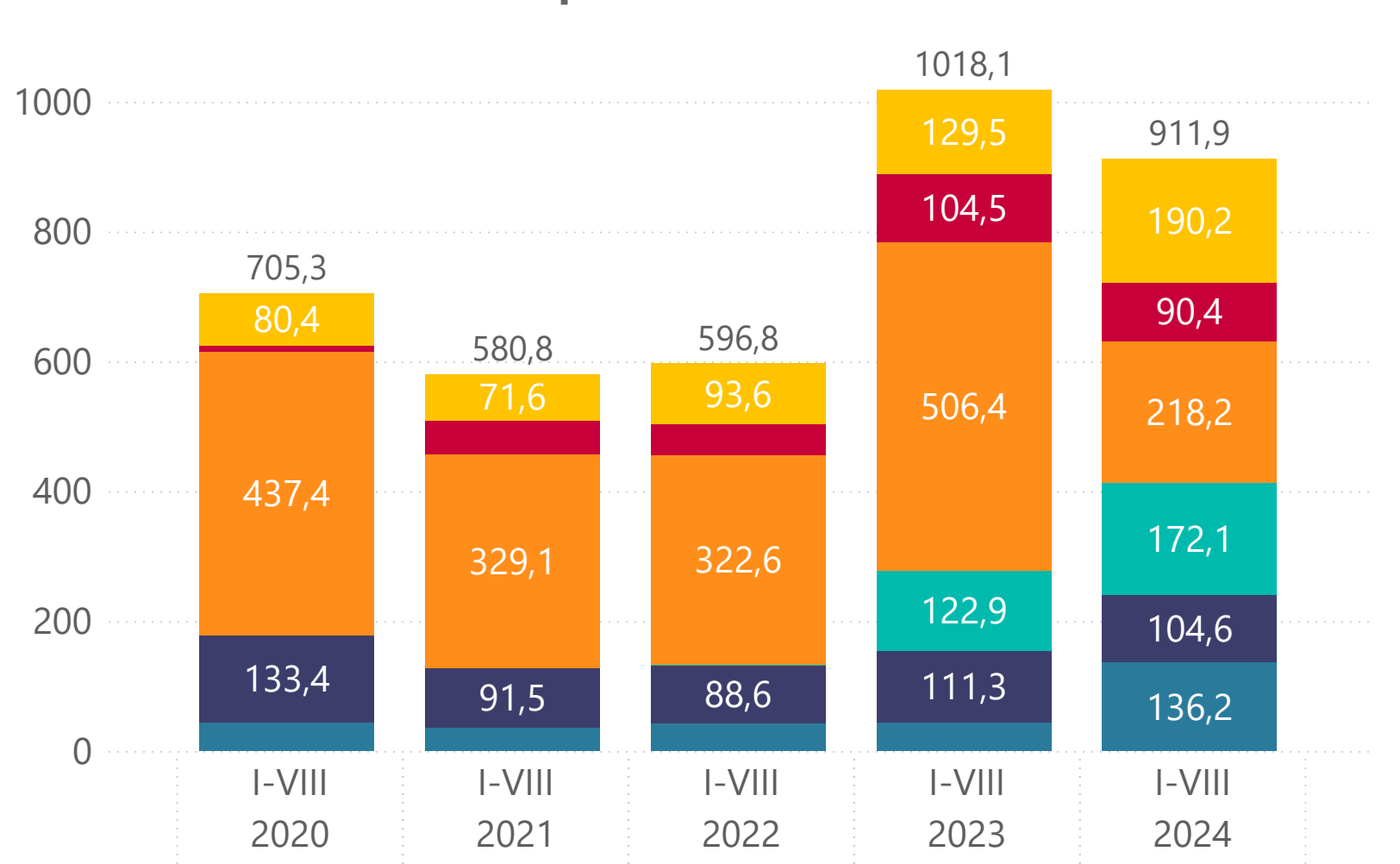
Unemployment benefit average amount

506€
(+11.8% YoY)
August 2024

Source: State Social Insurance Agency (SSIA)

FOREIGN FINANCIAL ASSISTANCE

FFA expenditure, mln €



Cohesion policy (European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF)), RRF - Recovery and Resilience Facility plan, EAGF - European Agricultural Guarantee Fund; EAFRD - European Agricultural Fund for Rural Development

Source: State Treasury