

MACROECONOMIC AND BUDGETARY REVIEW 2024

No 10

GROSS DOMESTIC PRODUCT (GDP)

GDP 2023

39 072 Mln €

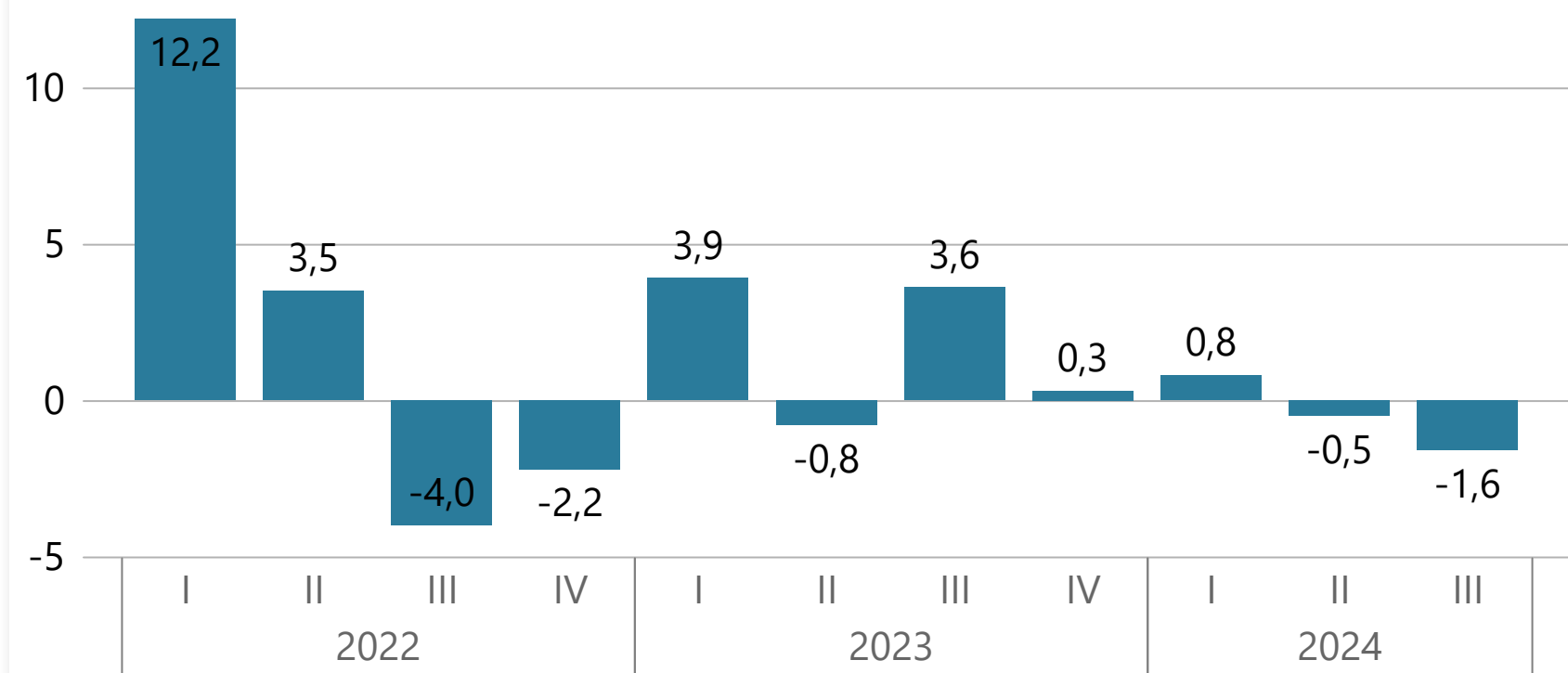
CSB, 18.10.2024.

GDP growth 2023

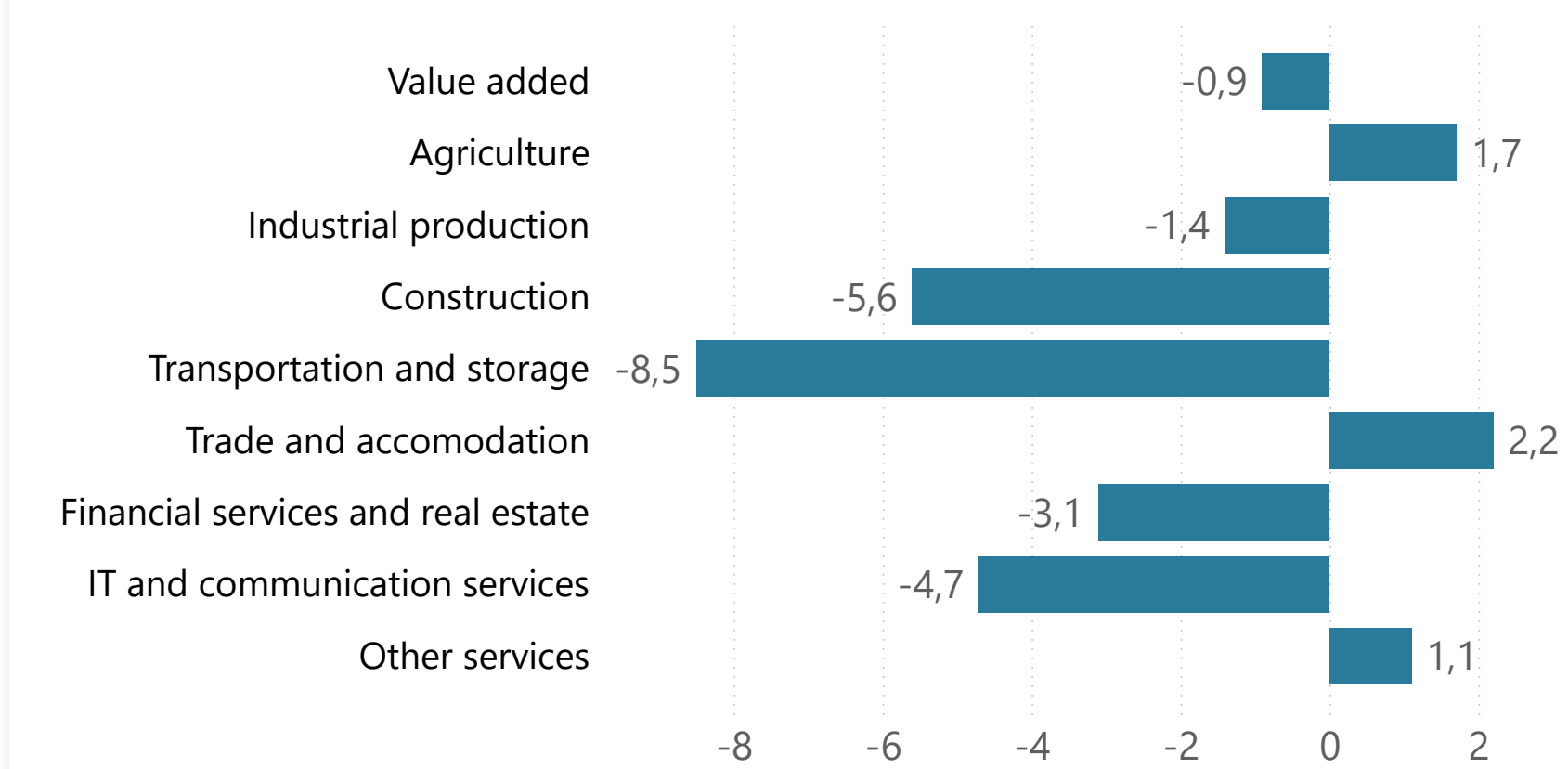
1.7%

CSB, 18.10.2024

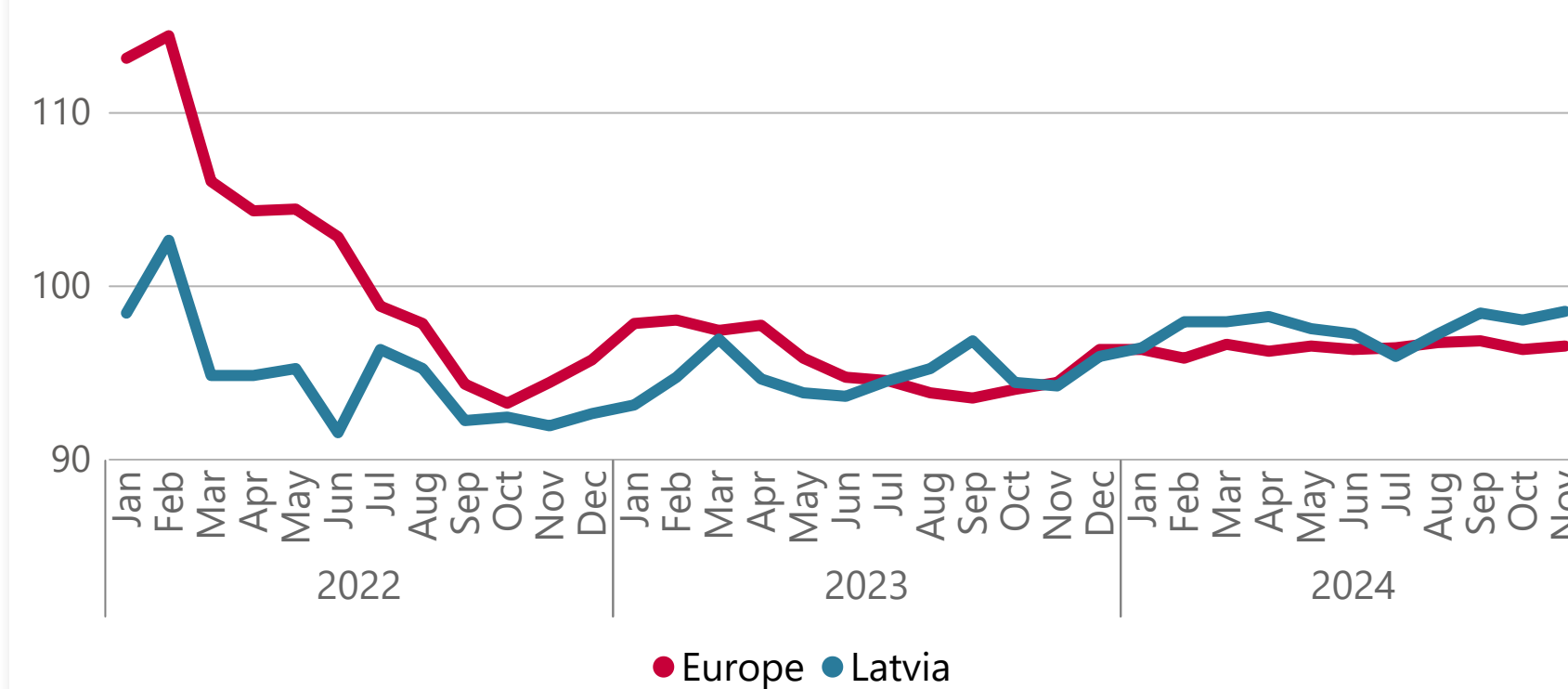
GDP growth, YoY%



GDP growth by sectoral breakdown
2024 Q I-III/2023 Q I-III



ESI Economic confidence



Source: European Commission; Central Statistical Bureau(CSB).

INFLATION

Inflation

2.0%

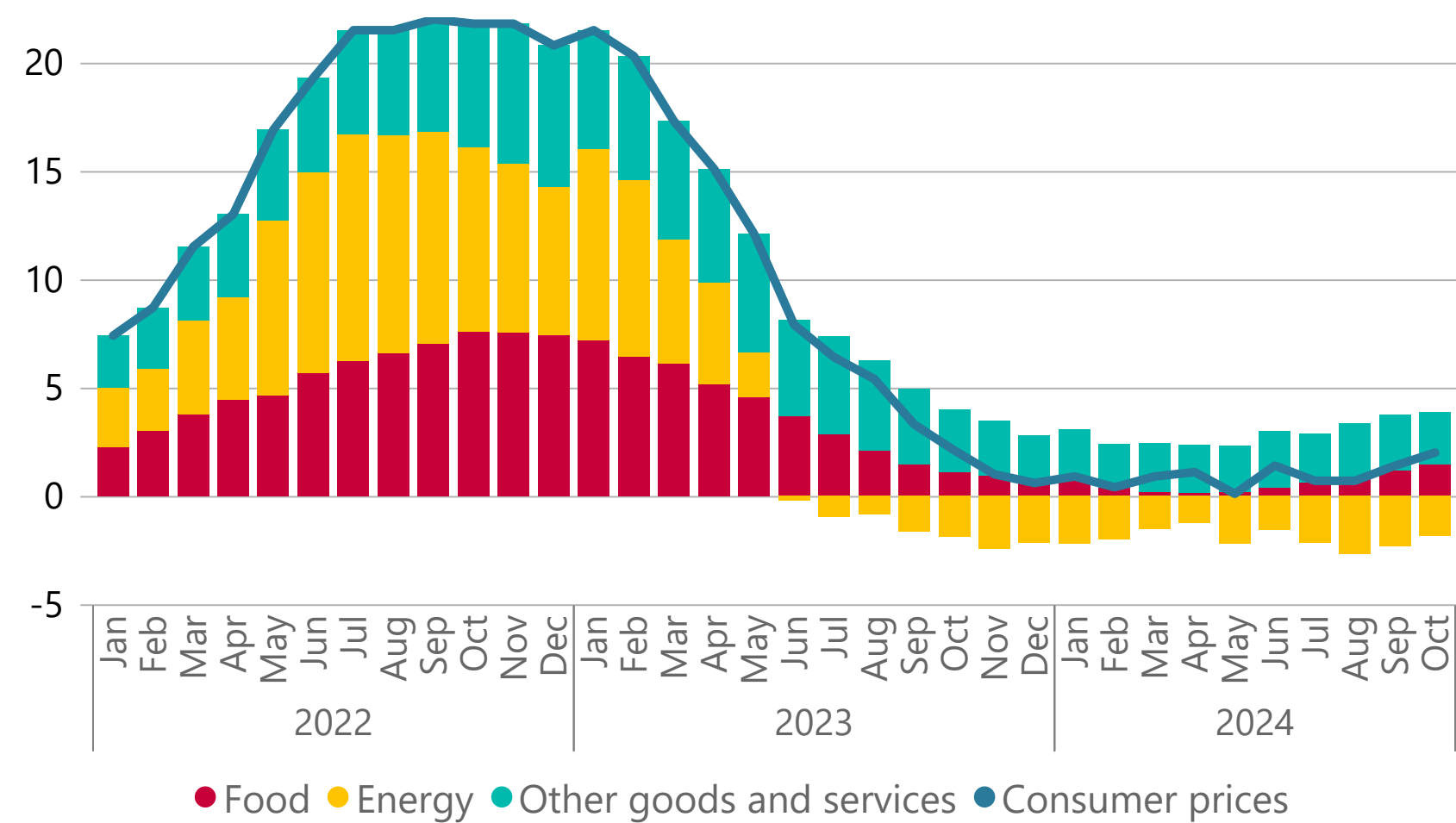
October 2024

Producer price rise

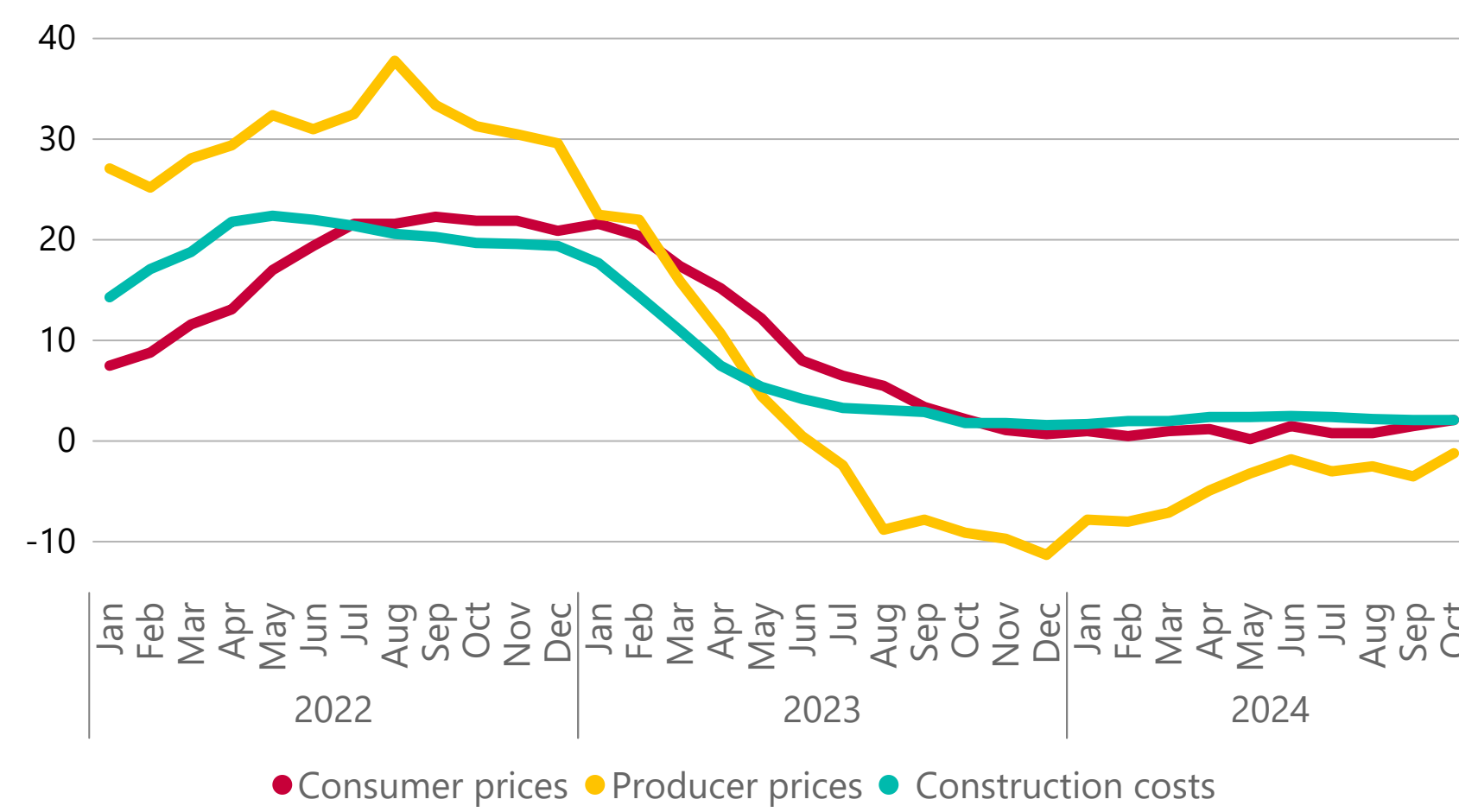
-1.3%

October 2024

Consumer prices,YoY%



Prices, YoY%



Source: CSB

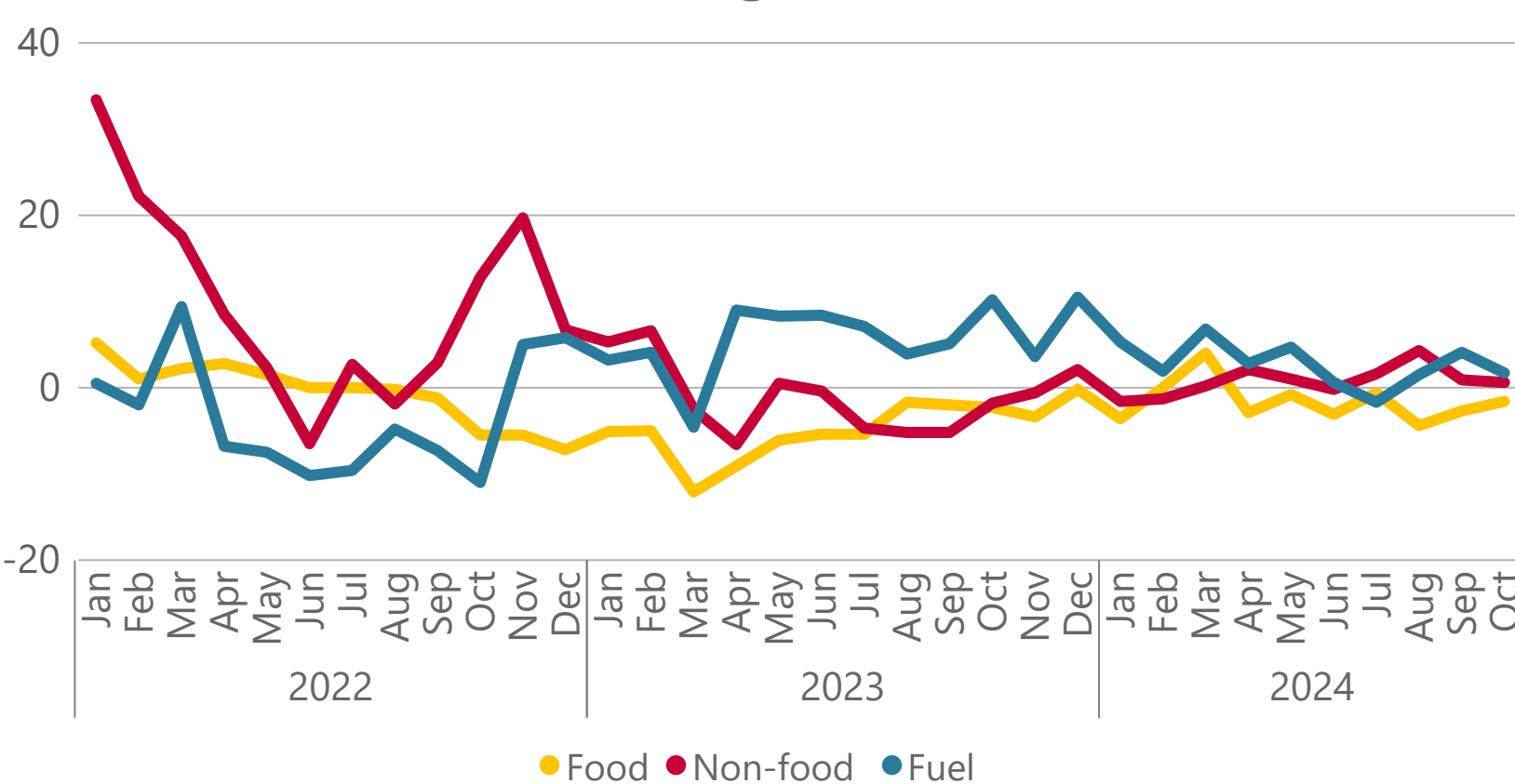
MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024*	2025*	2026*	2027*	2028*
Nominal GDP growth, %	5	-1,2	10,5	11,8	8,2	3,8	5,9	5,5	5,4	5,1
Real GDP growth, %	0,7	-3,5	6,9	1,8	1,7	1,4	2,9	2,8	2,6	2,3
GDP deflator, % change	4,3	2,4	3,3	9,8	6,4	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

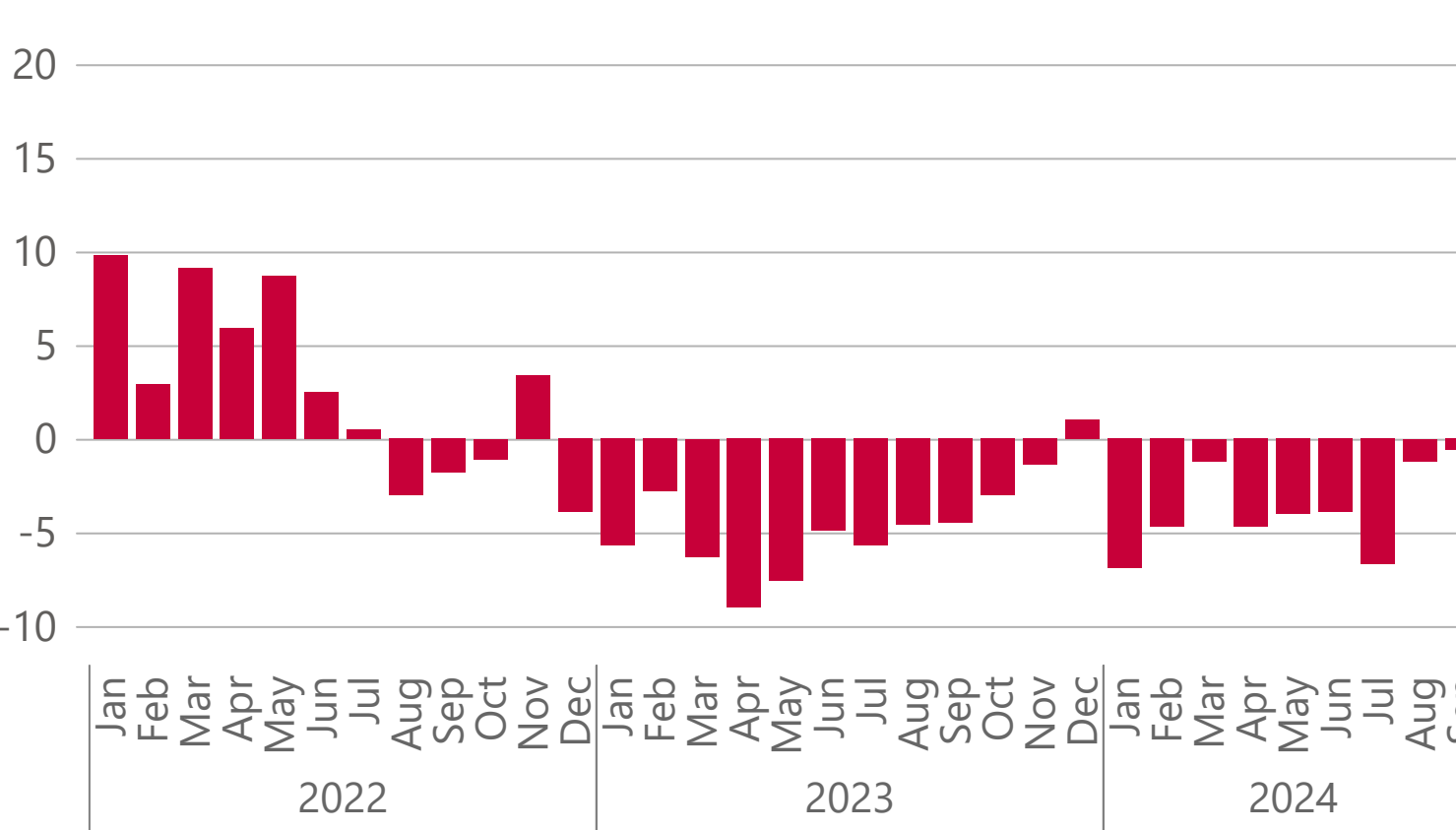
Source: CSB (18.10.2024), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2024)

INDUSTRIES

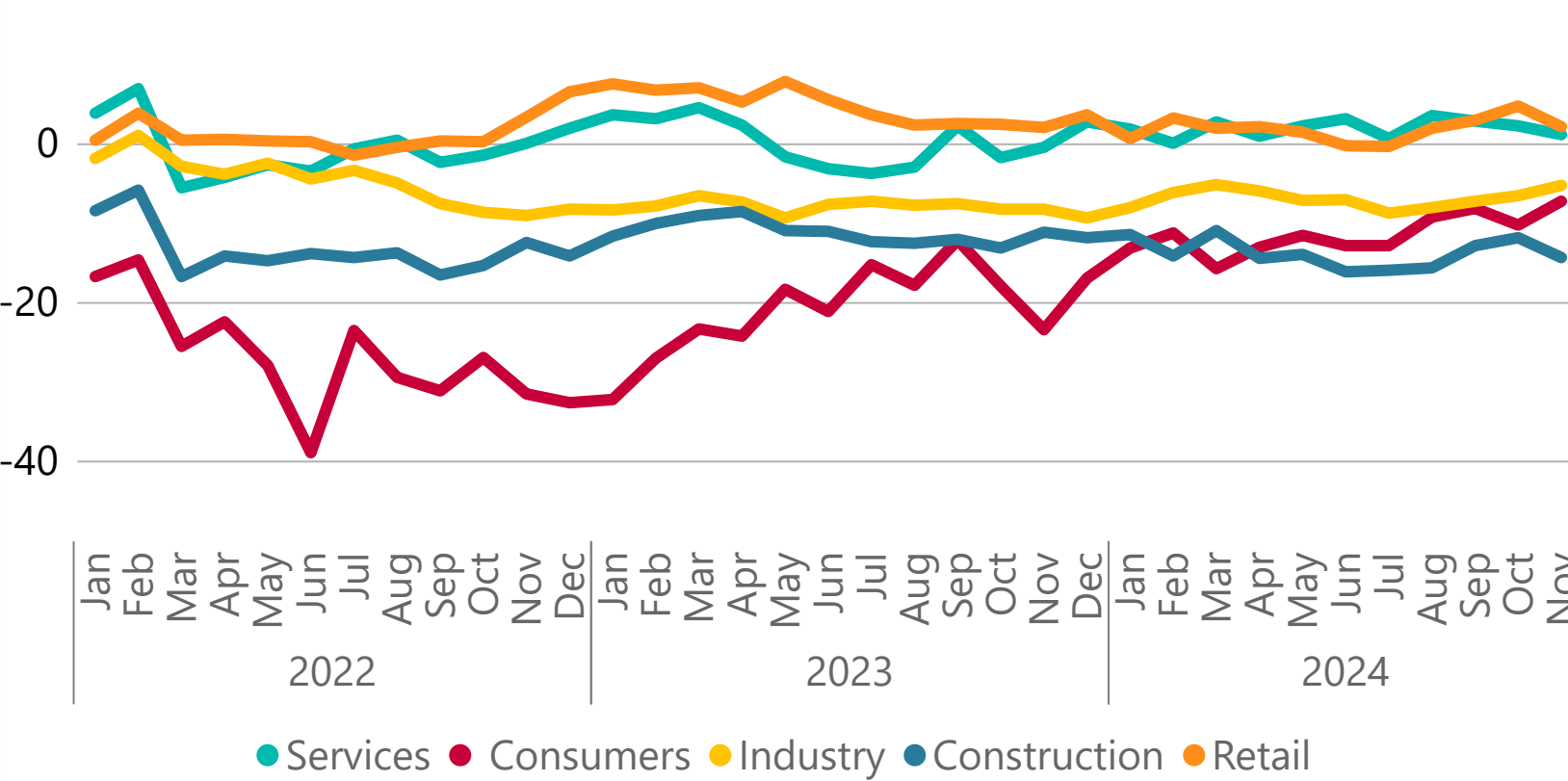
Retail trade growth, YoY%



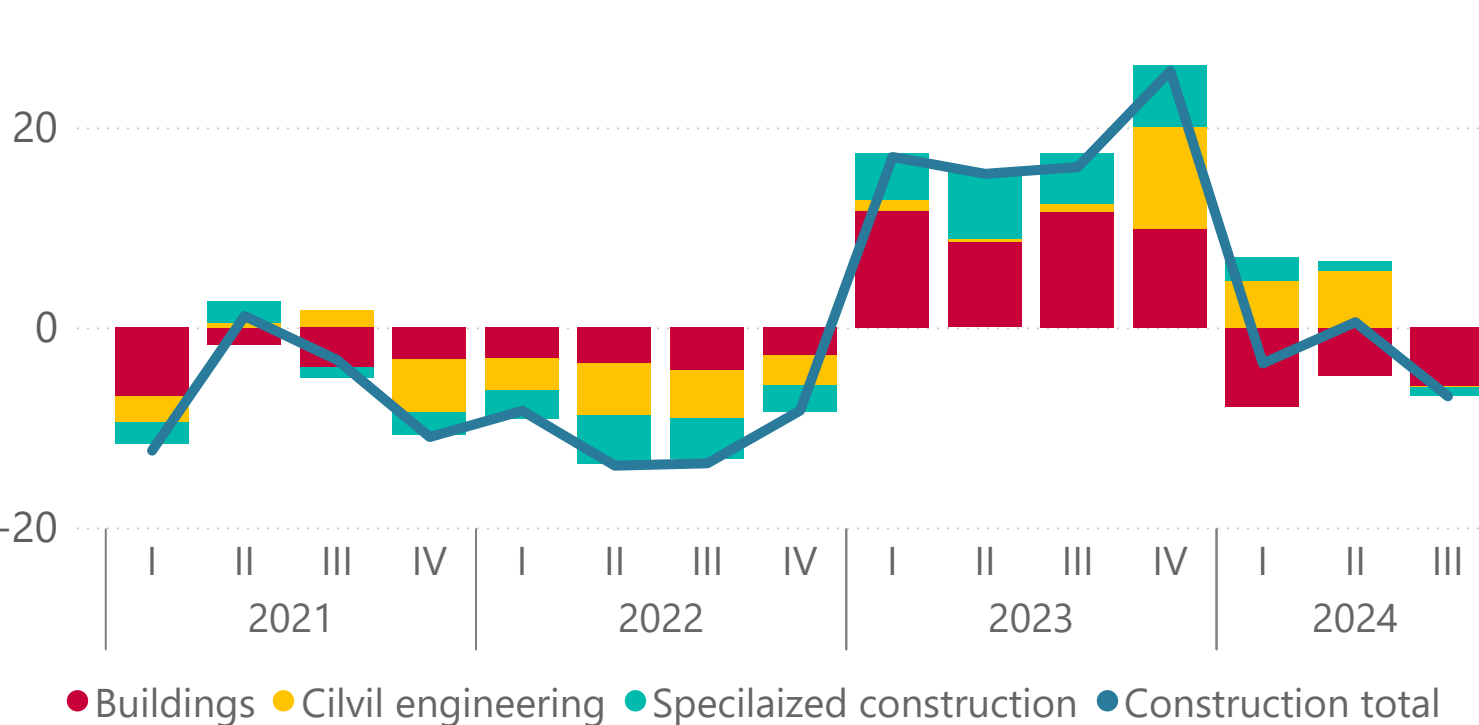
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices,
index; % YoY



GENERAL GOVERNMENT BUDGET

General government budget balance 2024

-2.8% of GDP

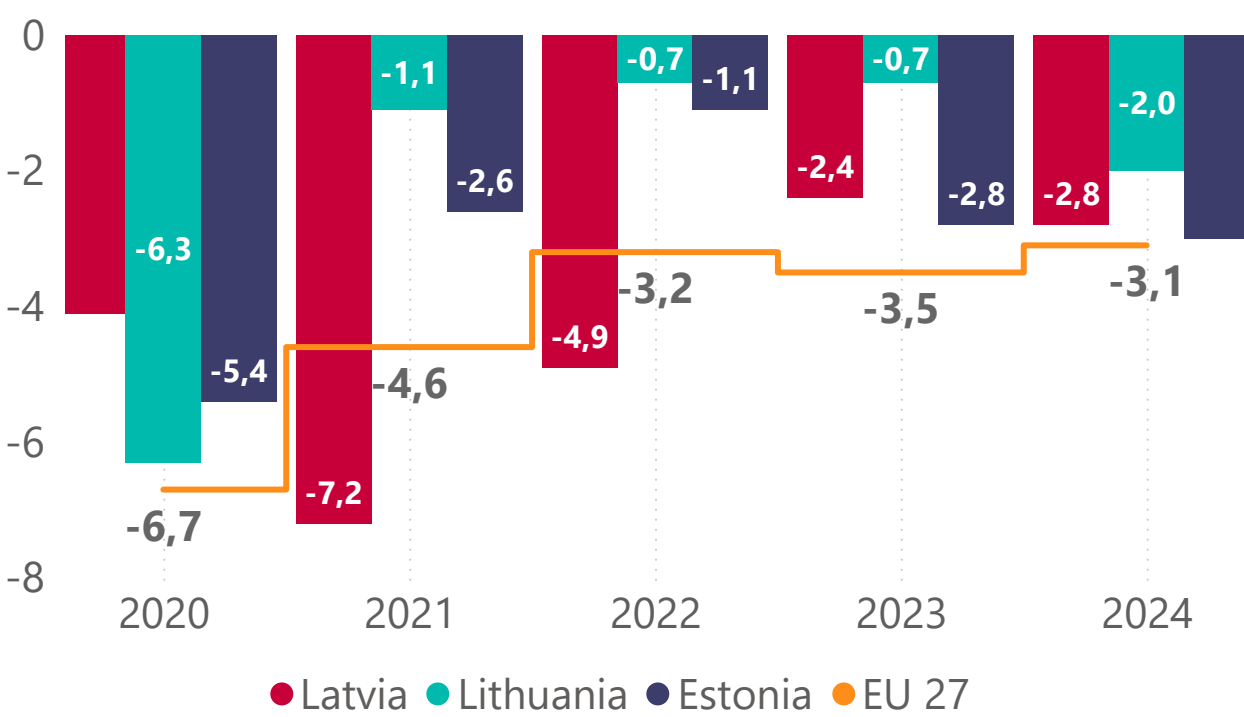
EC forecast, November 2024

General government debt 2024

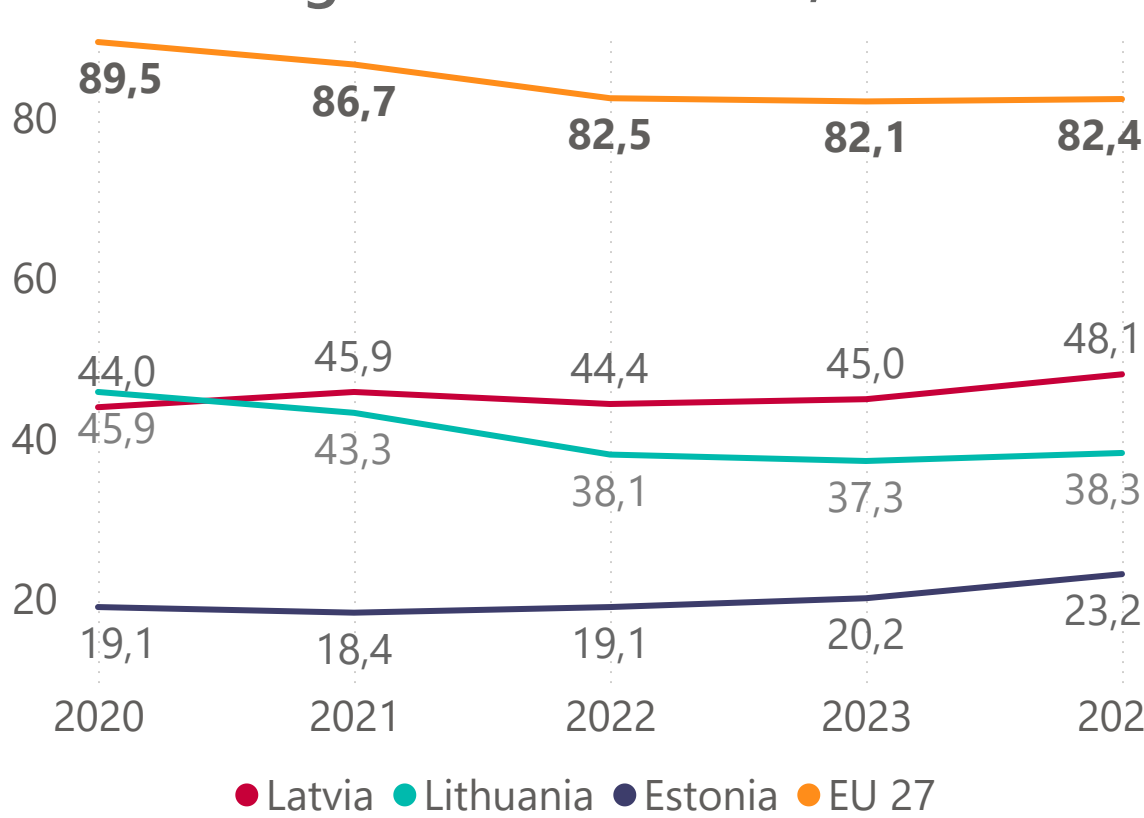
48% of GDP

EC forecast, November 2024

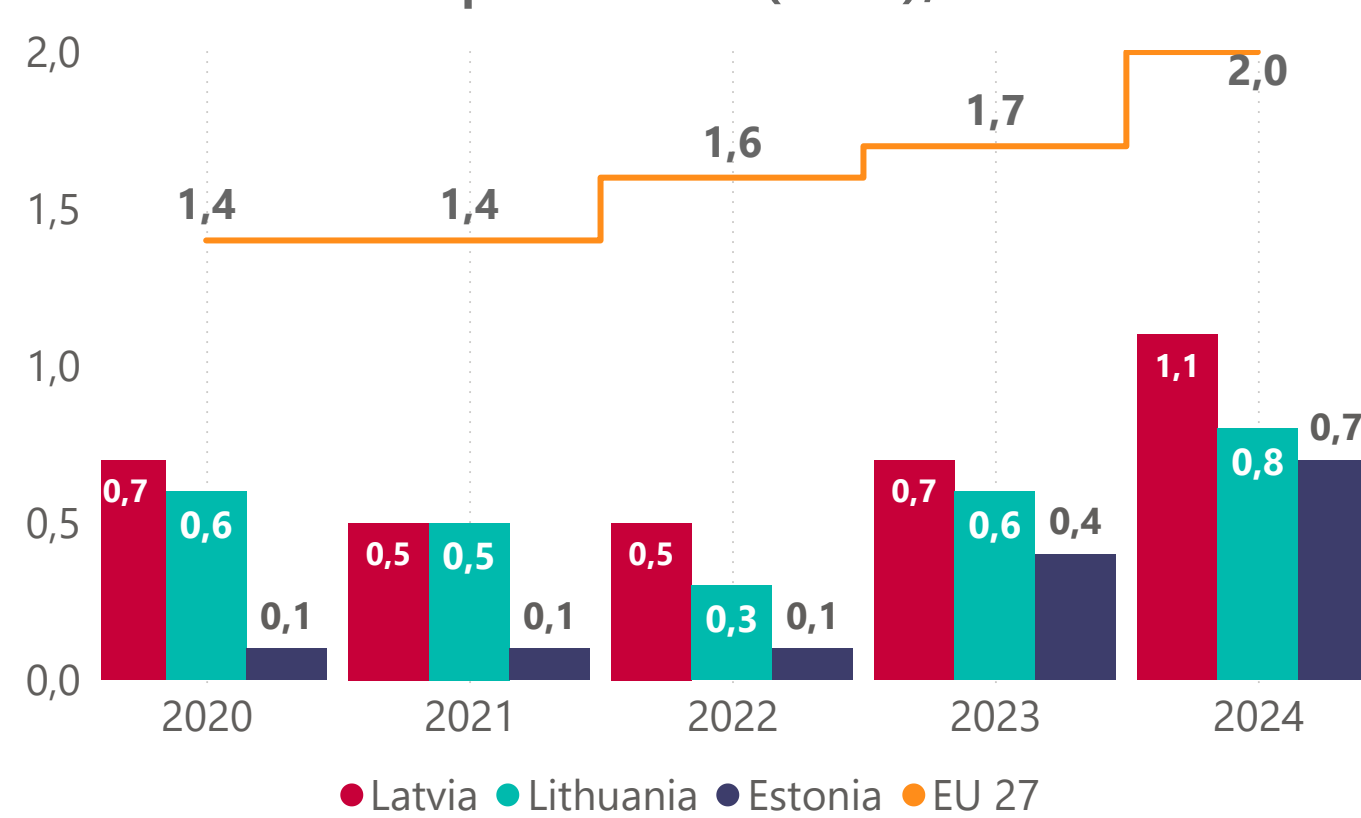
General government budget balance, % of GDP



General government debt, % of GDP



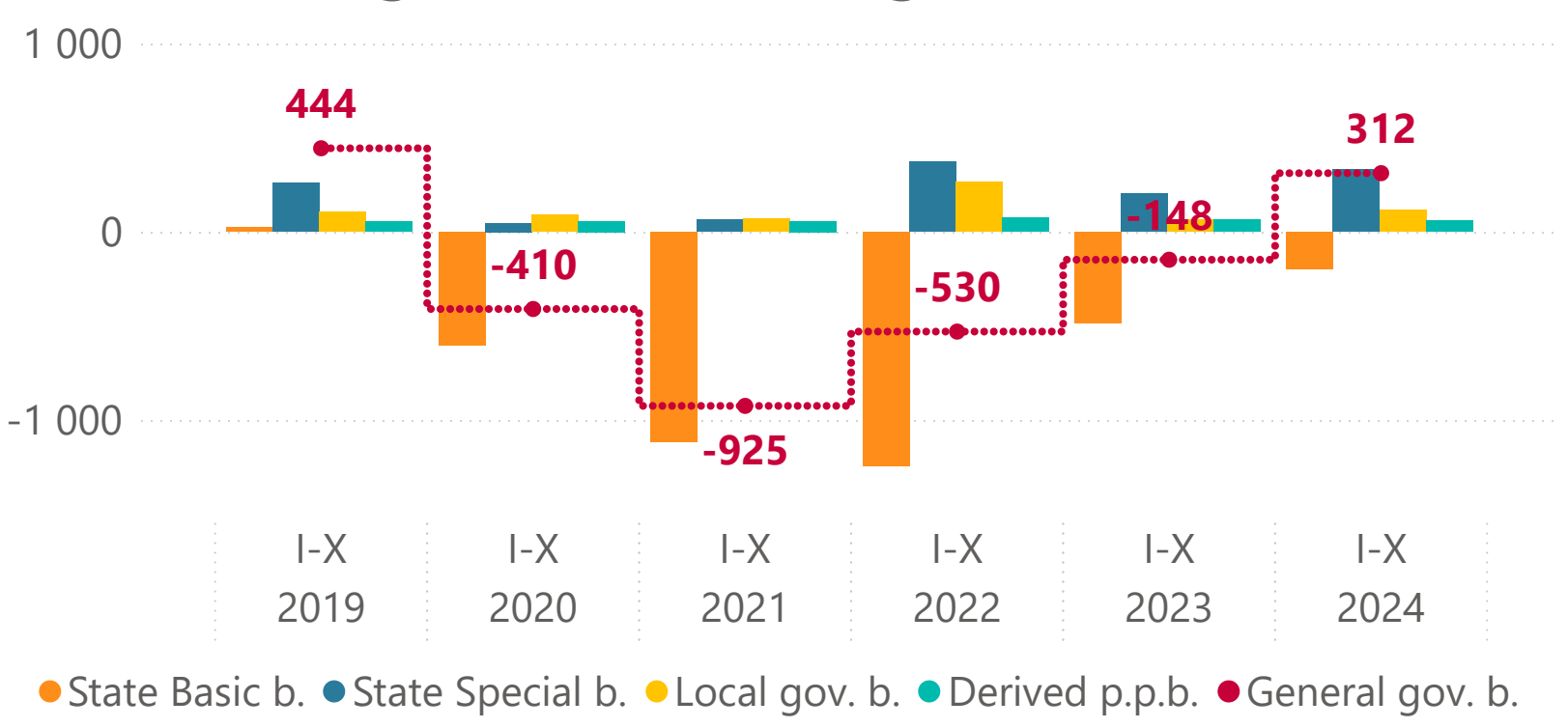
Interest expenditure (D.41), % of GDP



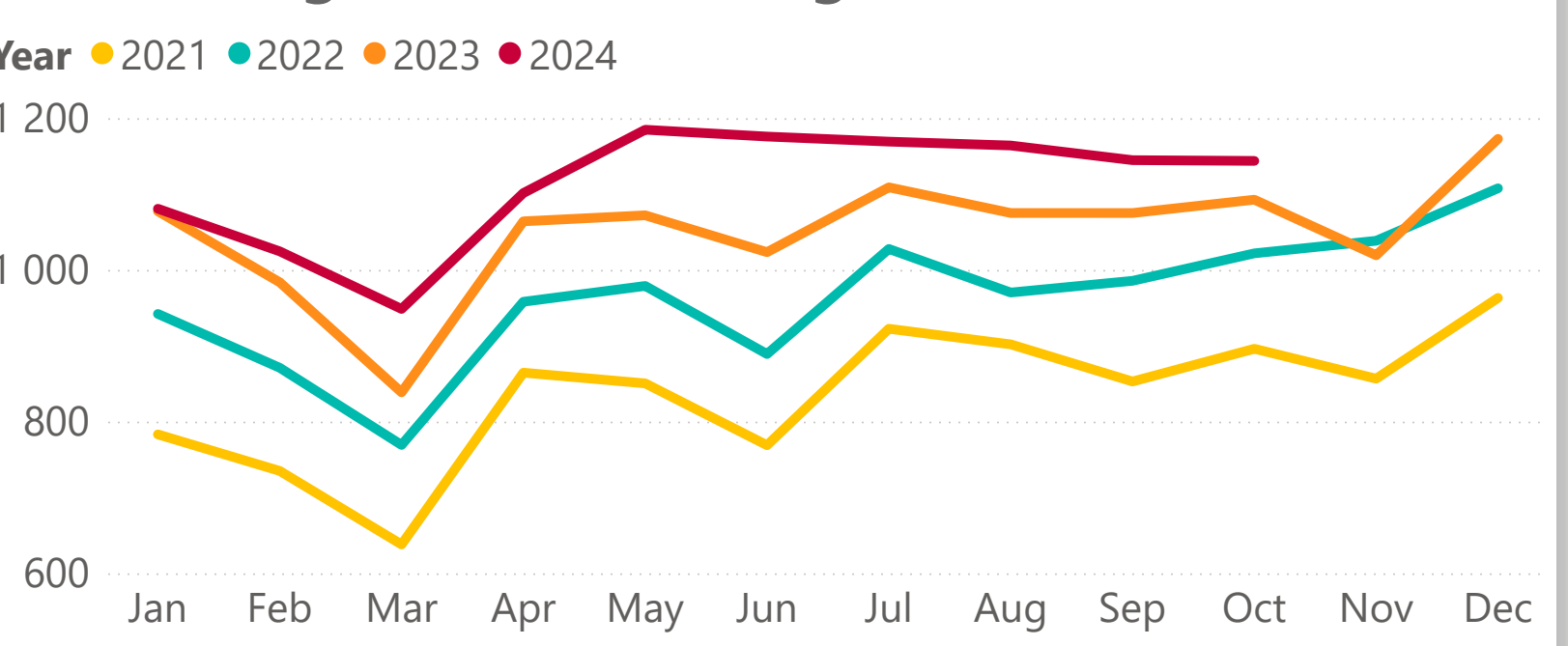
Source: Eurostat, European Commission forecasts Autumn 2024 (AMECO)

GENERAL GOVERNMENT BUDGET JANUARY-OCTOBER 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-October 2024, including revenue in the single tax account (-132.7 mln €) and excluding SSC at the 2nd pension pillar (699.1 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	14 410,8	1 581,4	12,3%
Expenditure	14 099,1	1 121,6	8,6%
Balance	311,6	459,8	

General government budget tax revenue

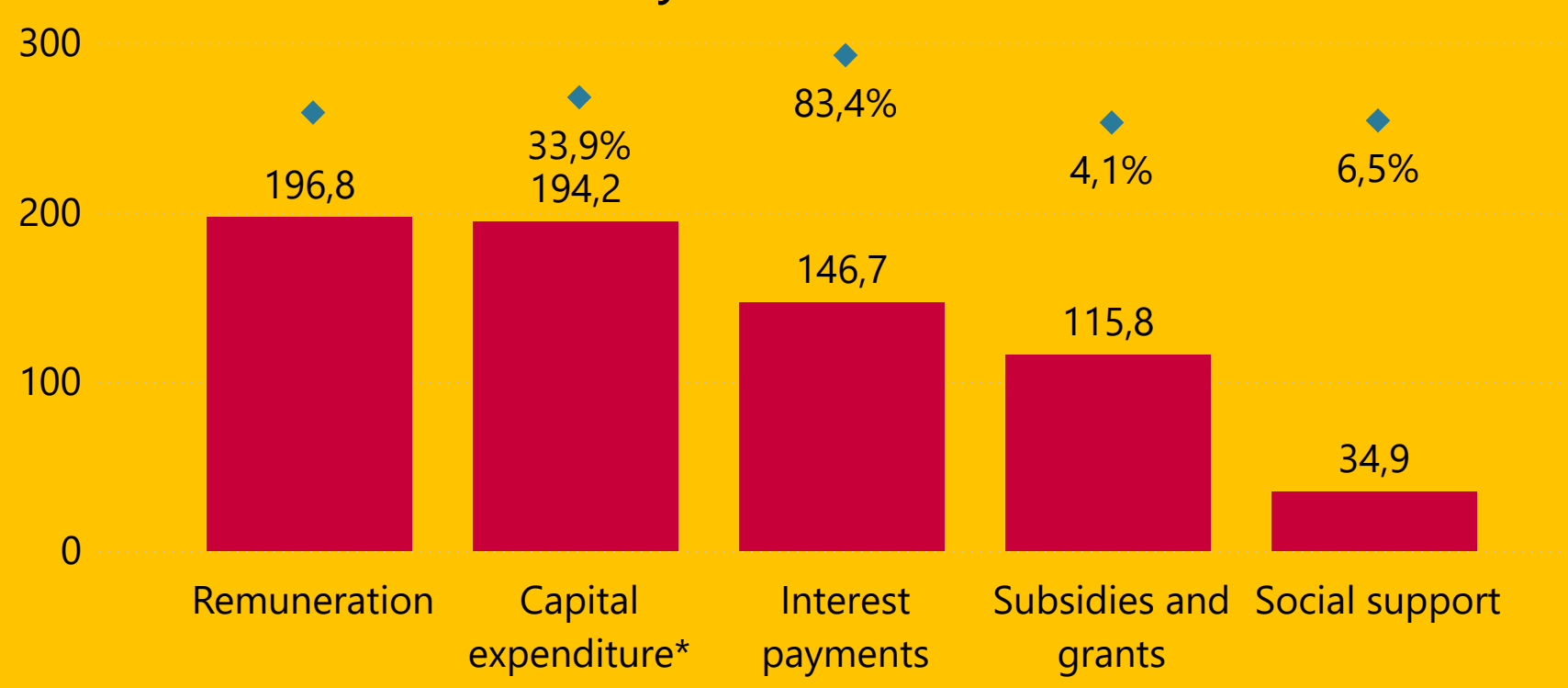
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	3 682,8	333,6	10,0%
VAT	3 162,8	-91,2	-2,8%
PIT	2 296,1	257,7	12,6%
EXCISE	998,3	25,4	2,6%
CIT	644,7	162,6	33,7%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	11 135,2	726,5	7,0%
Non tax revenue	1 098,5	177,8	19,3%
Self-earned revenue	457,2	39,5	9,4%
Foreign financial assistance	1 718,3	637,7	59,0%
Expenditure			
Remuneration	3 239,9	438,3	15,6%
Goods and services	1 565,1	-26,1	-1,6%
Interest payments	340,1	136,5	67,1%
Subsidies and grants	3 141,5	117,6	3,9%
Social support	4 312,9	282,4	7,0%
Payments to EU budget	311,2	13,4	4,5%
Capital expenditure	1 107,4	135,5	13,9%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	8 486,6	1 022,4	13,7%
Expenditure	8 683,9	734,7	9,2%
Balance	-197,2	287,7	

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



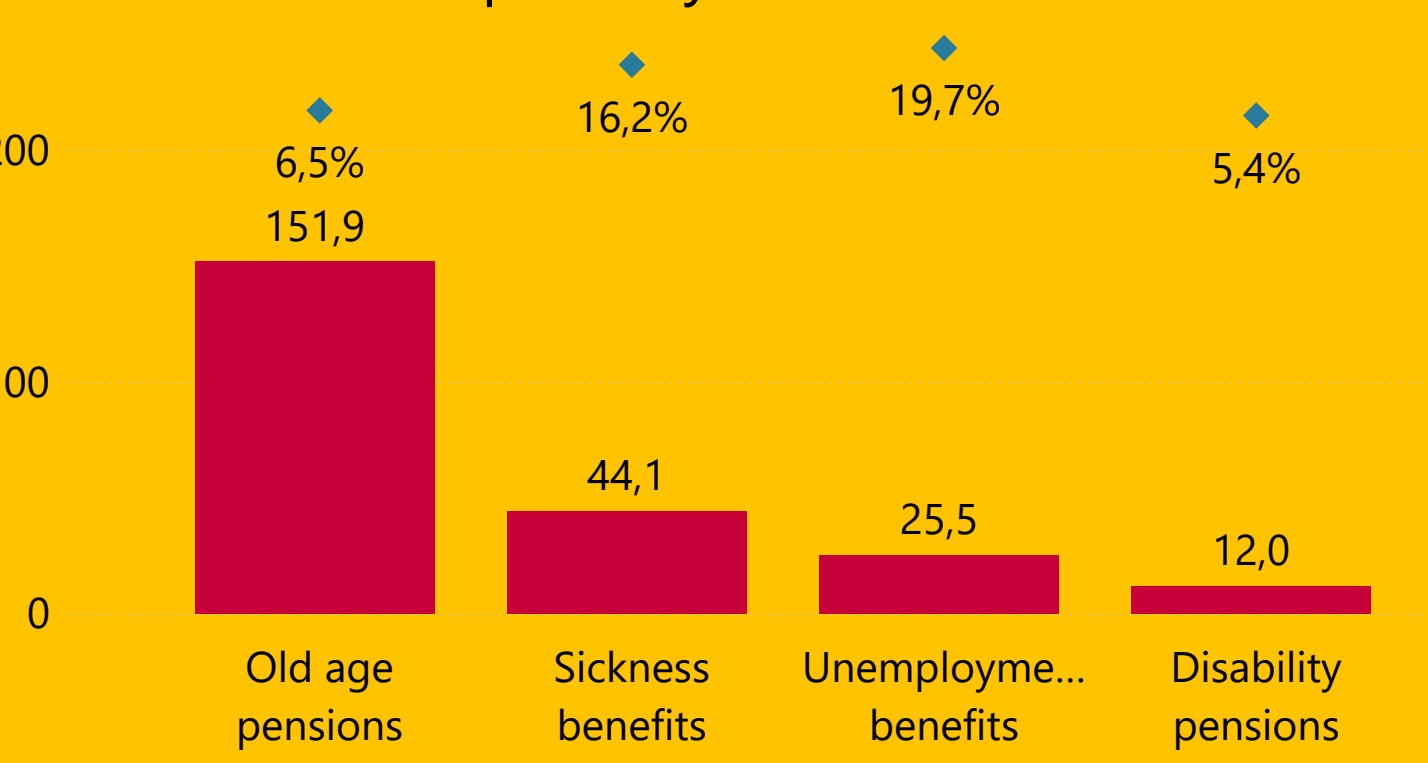
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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

STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 891,0	368,4	10,5%
Expenditure	3 559,4	241,9	7,3%
Balance	331,7	126,5	

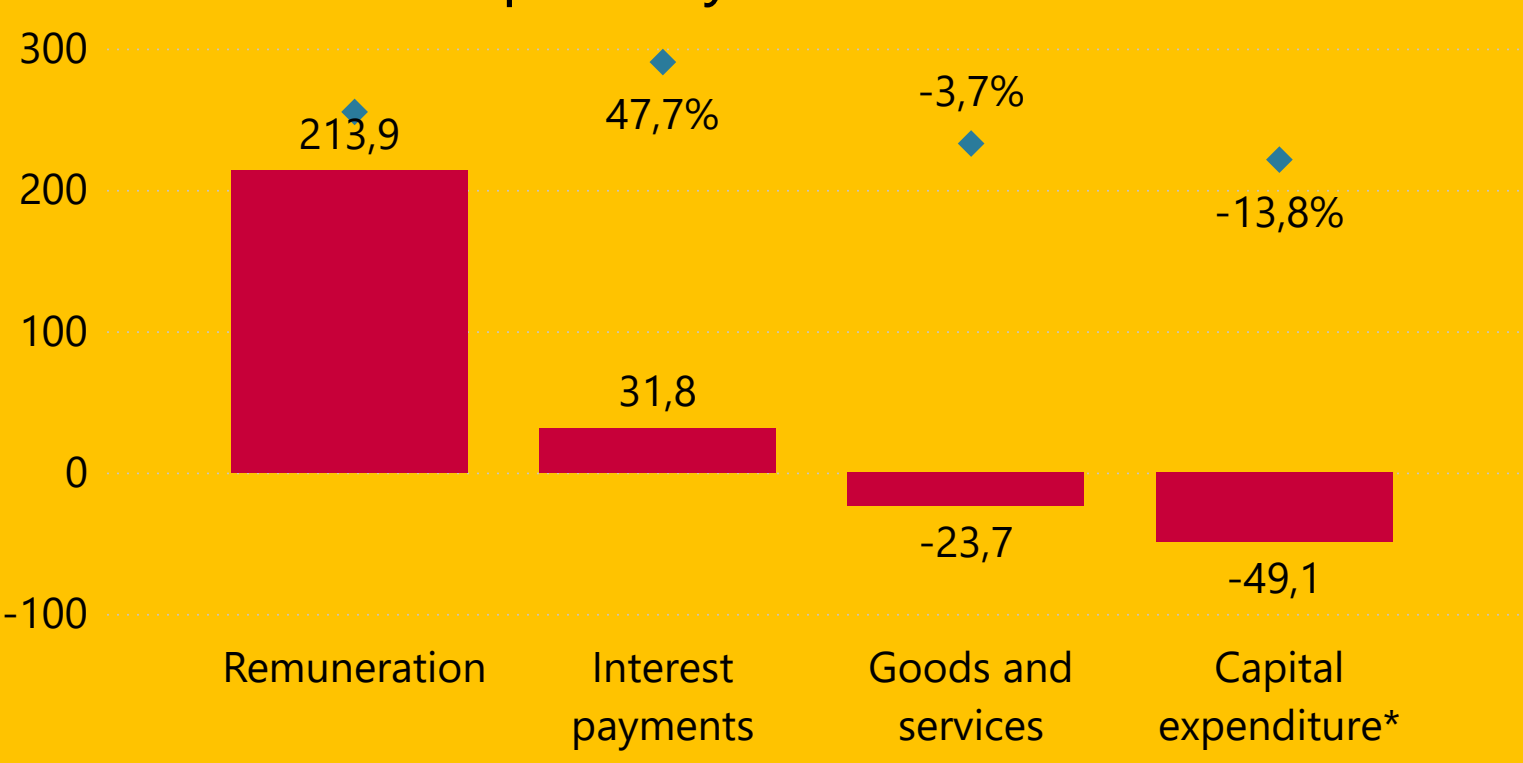
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

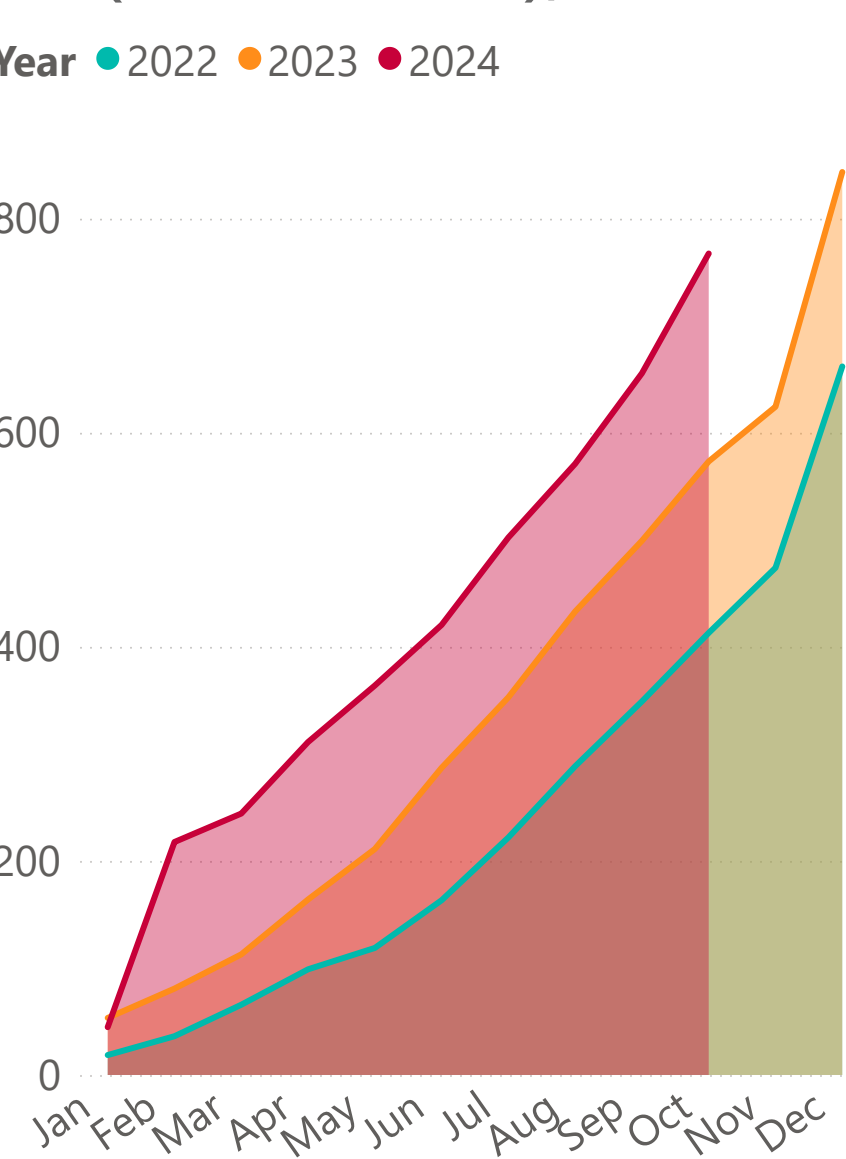
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 098,1	212,7	7,4%
Expenditure	2 982,2	162,4	5,8%
Balance	115,9	50,3	

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

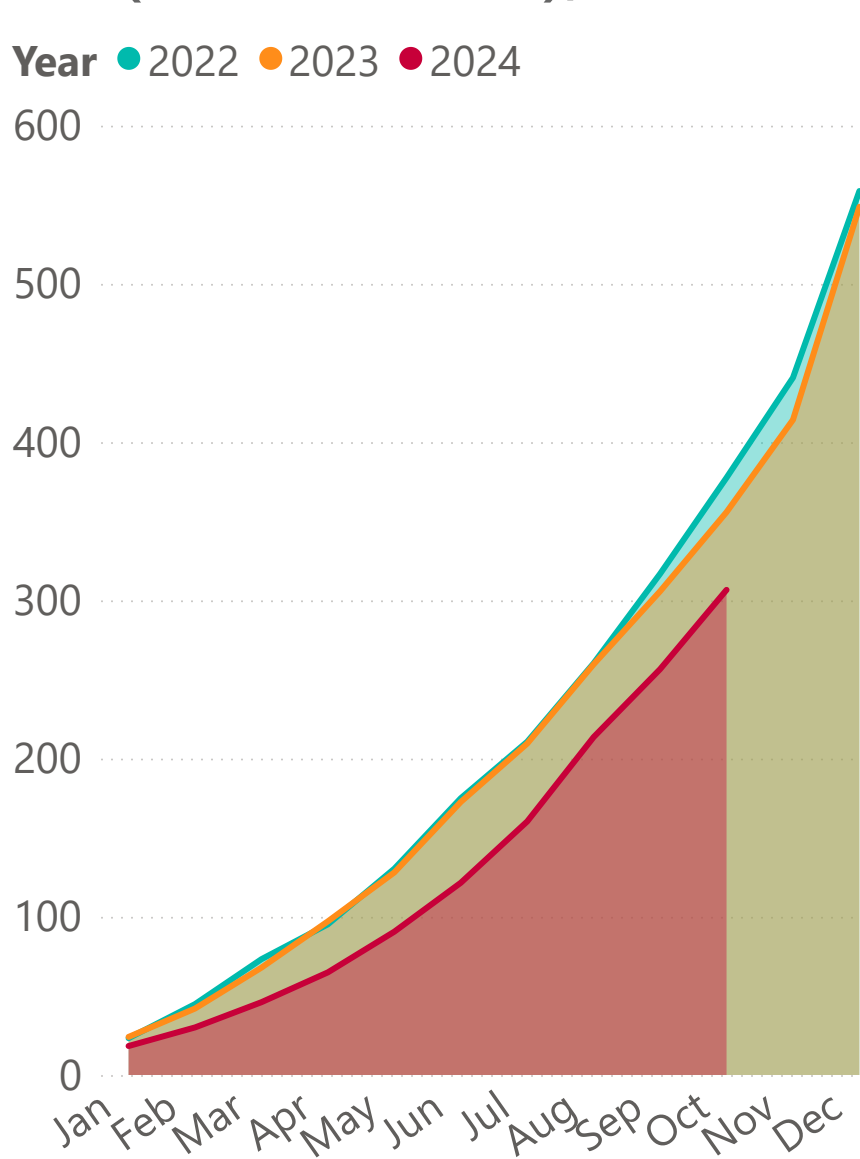


CAPITAL EXPENDITURE

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

425 740
(0% YoY)

October 2024

Unemployment benefit recipients

32 849
(+8.8% YoY)

October 2024

Old-age pensions average amount

588€
(+8.5% YoY)

October 2024

Unemployment benefit average amount

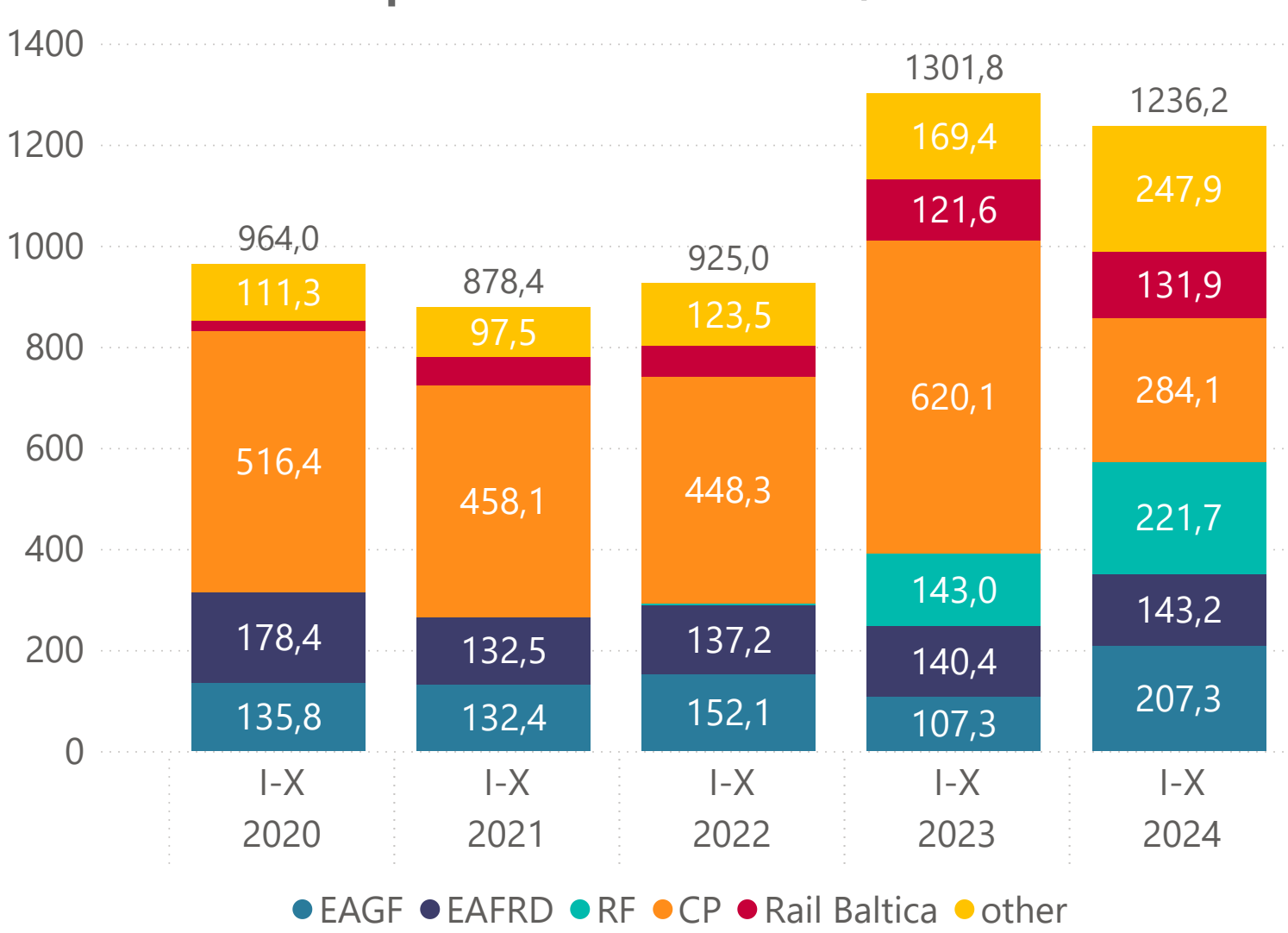
453€
(+5.7% YoY)

October 2024

Source: State Social Insurance Agency (SSIA)

FOREIGN FINANCIAL ASSISTANCE

Expenditures of FFA, mln €



CP-Cohesion Policy Fund (European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF)); RF- Recovery Fund; EAGF - European Agricultural Guarantee Fund; EAFRD - European Agricultural Fund for Rural Development

Source: State Treasury