

MACROECONOMIC AND BUDGETARY REVIEW 2025

No 1

GROSS DOMESTIC PRODUCT (GDP)

GDP 2024

40 208 Mln €

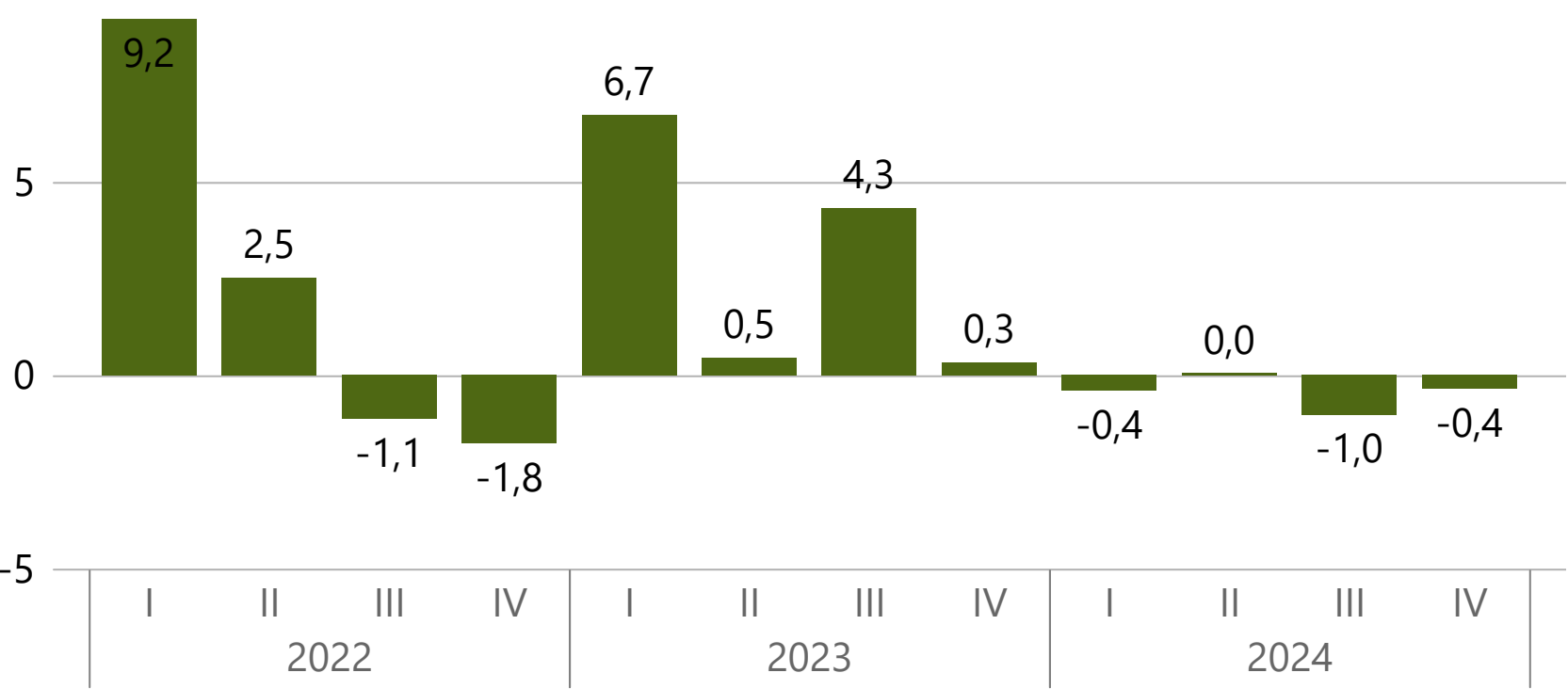
CSB, 28.02.2025

GDP growth 2025

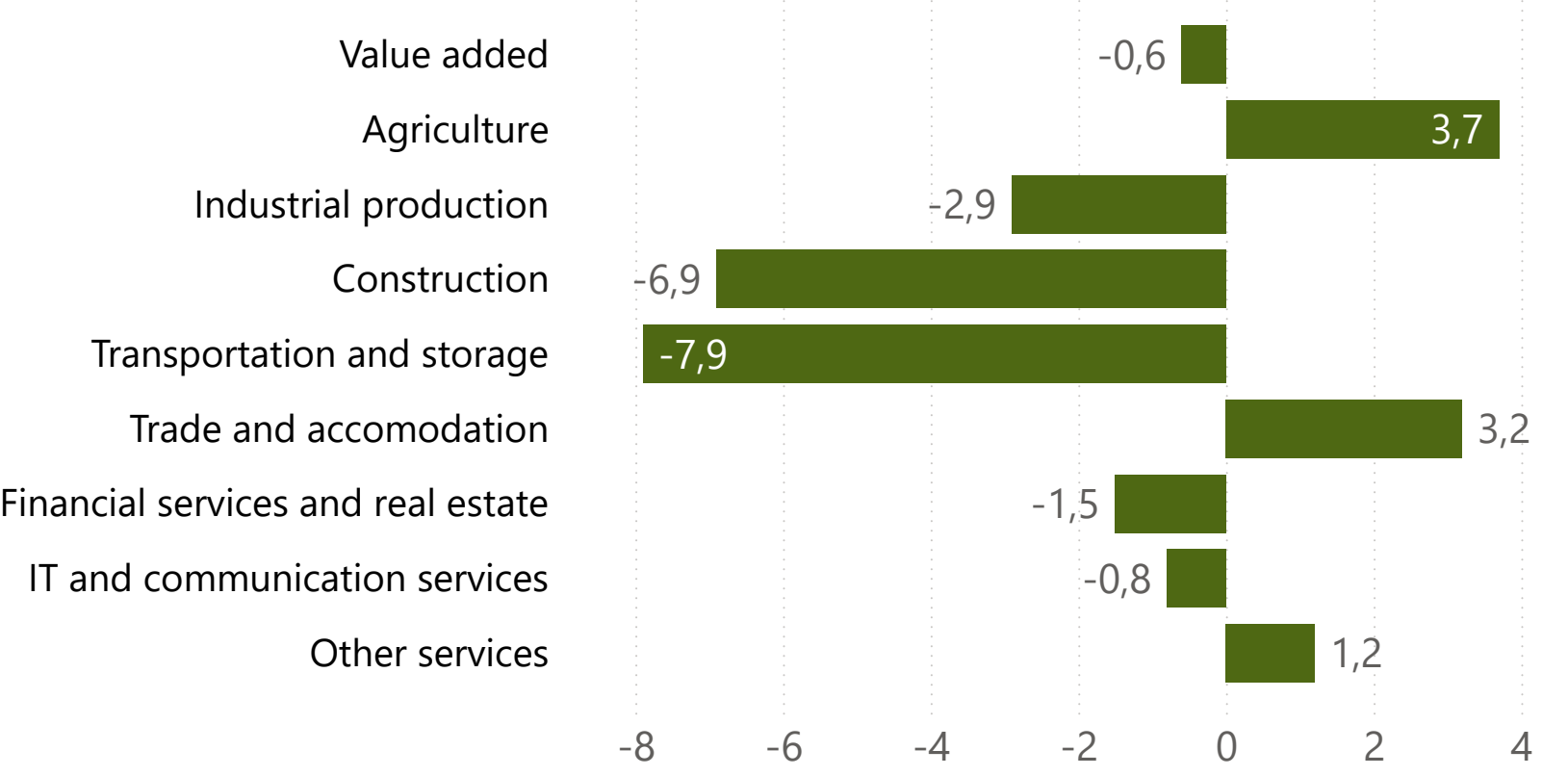
1.2%

MoF forecast, February 2025

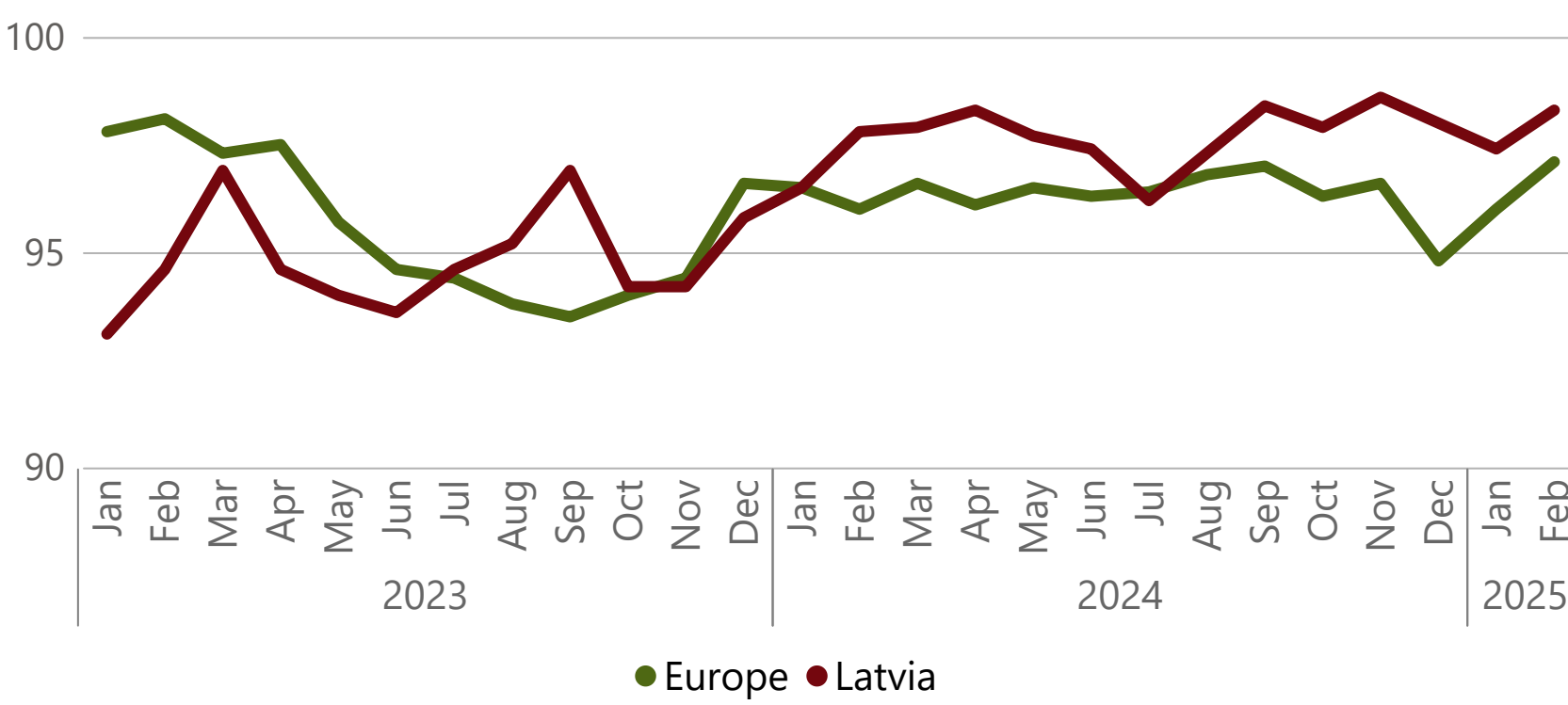
GDP growth, YoY%



GDP growth by sectoral breakdown
2024/2023



ESI Economic confidence



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

INFLATION

Inflation

3.0%

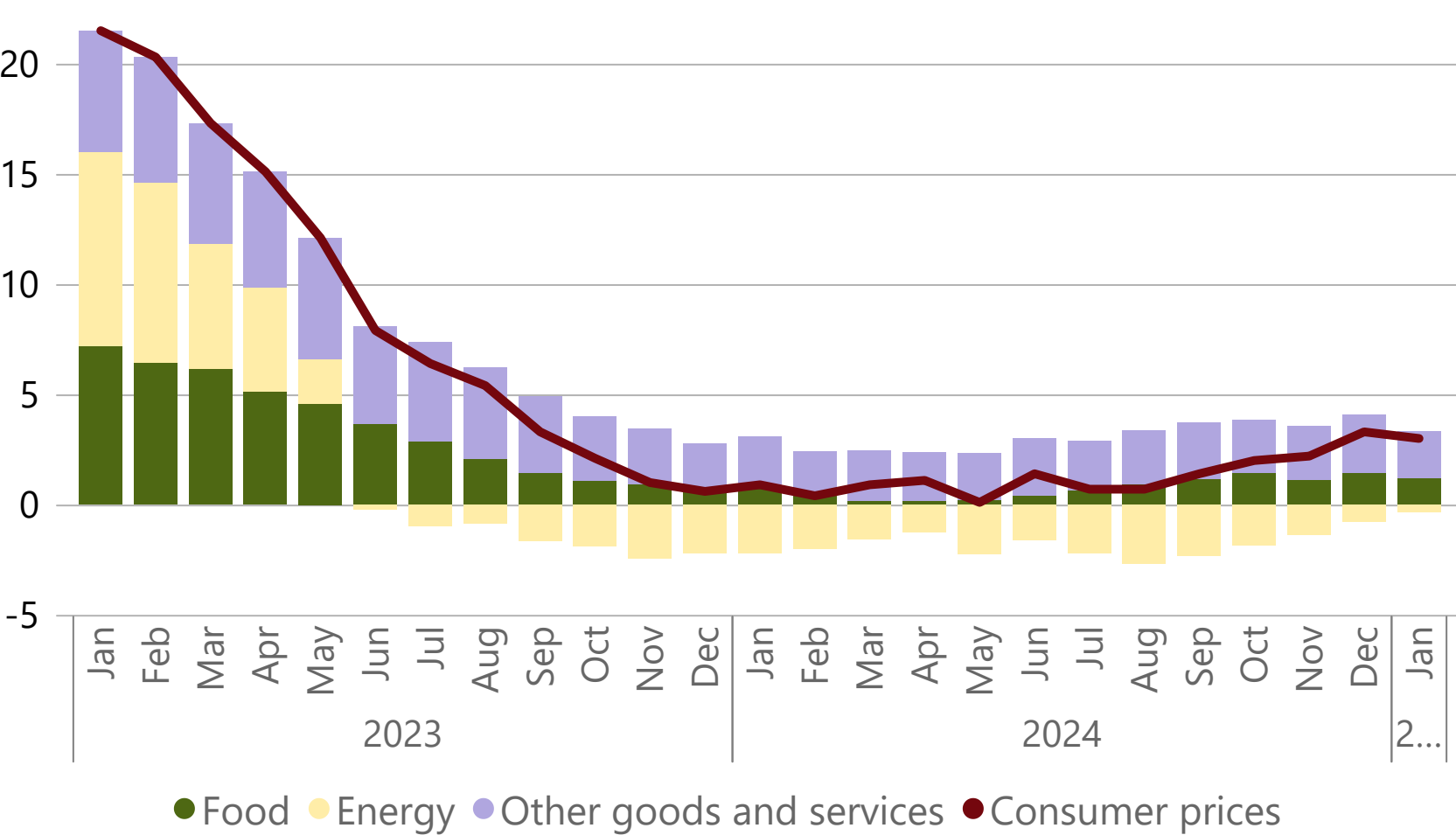
January 2025

Producer price rise

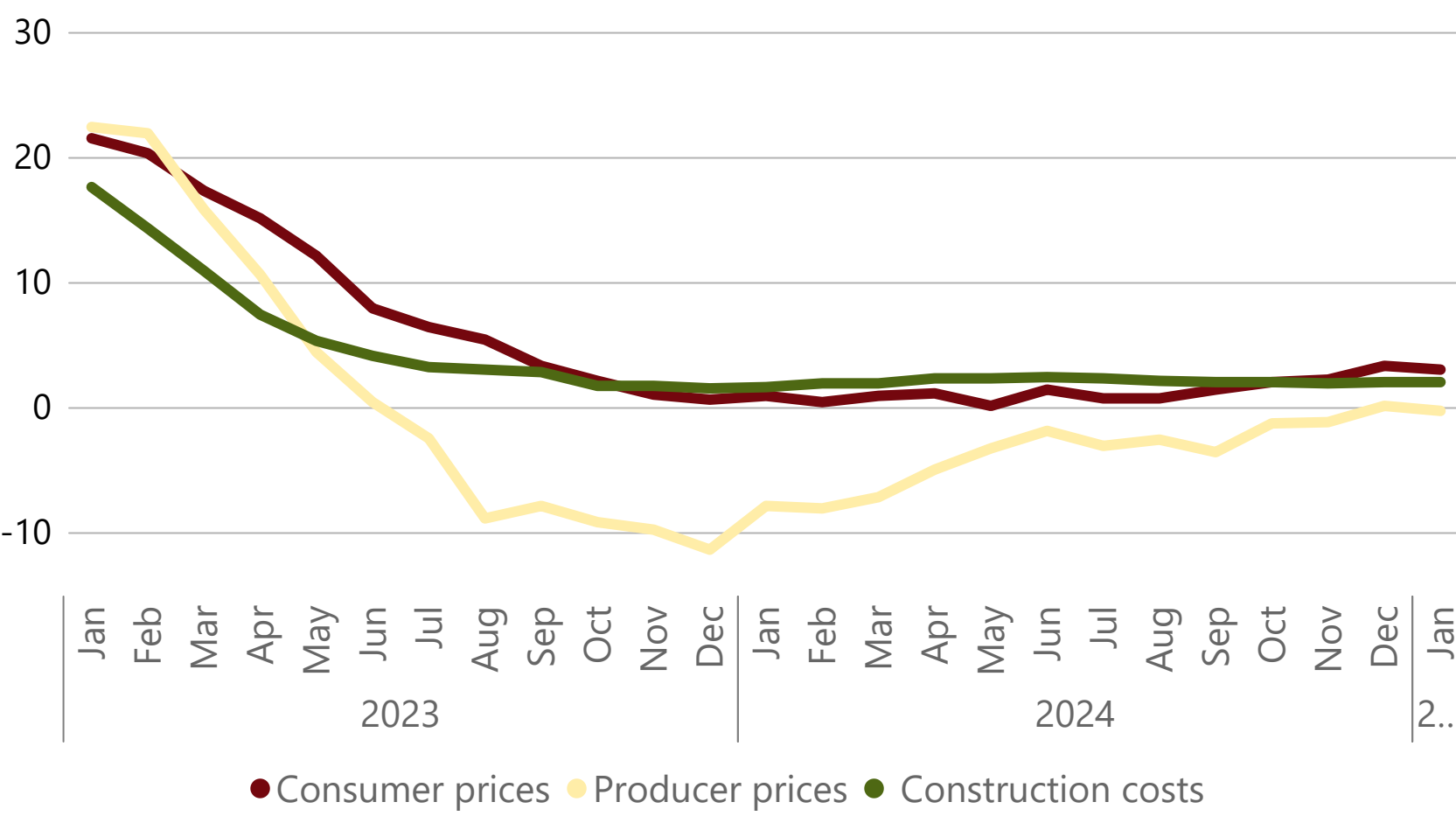
-0.3%

January 2025

Consumer prices, YoY%



Prices, YoY%



Source: CSB

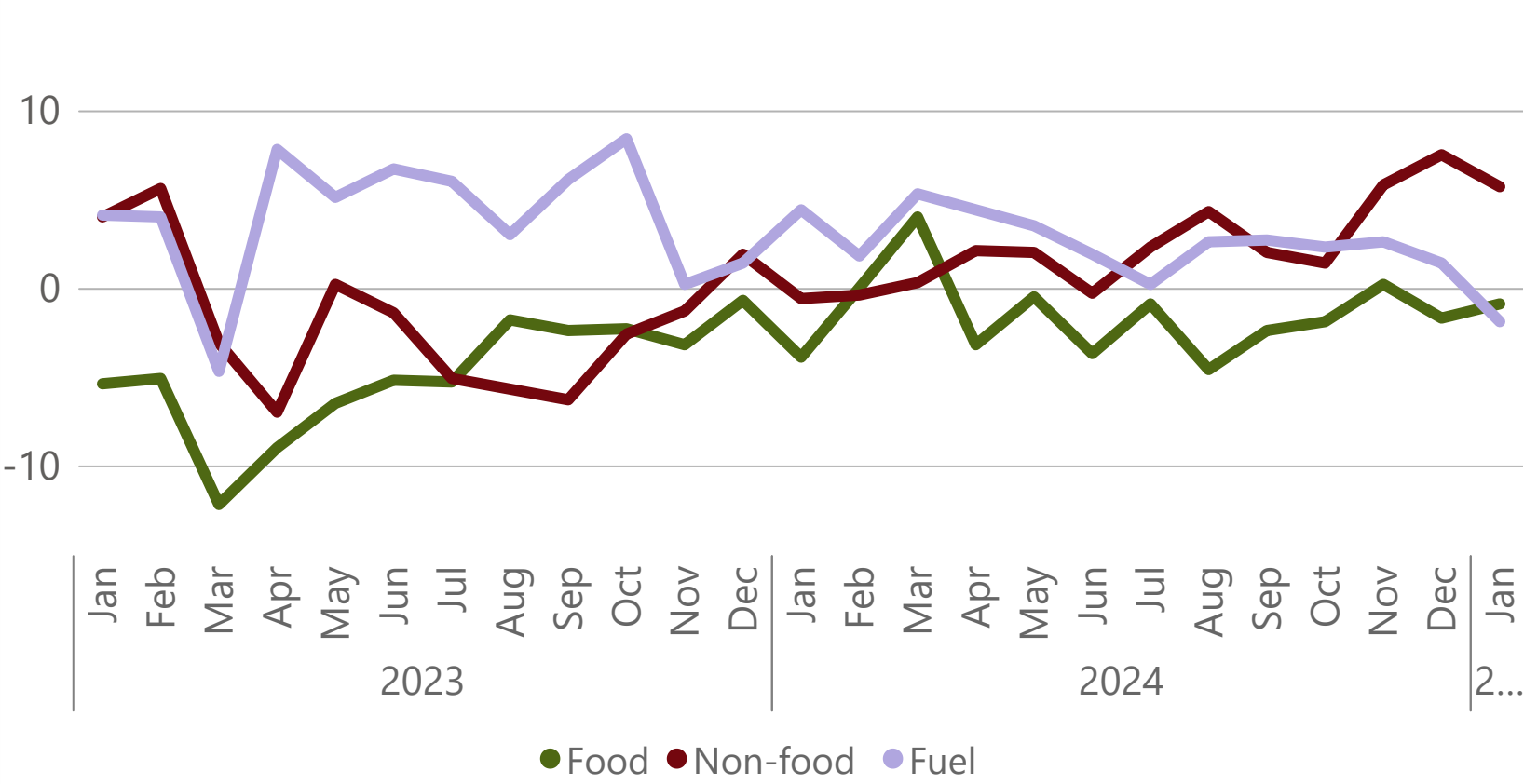
MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024	2025*	2026*	2027*	2028*
Nominal GDP growth, %	5	-1,2	10,5	11,8	9,1	2,1	4,3	4,8	4,9	4,6
Real GDP growth, %	0,7	-3,5	6,9	1,8	2,9	-0,4	1,2	2,1	2,2	2,2
GDP deflator, % change	4,3	2,4	3,3	9,8	6	2,6	3,1	2,7	2,7	2,4
Consumer price index, % change	2,8	0,2	3,3	17,3	8,9	1,3	2,5	2,2	2,5	2,5
Average monthly gross wage, EUR	1076	1143	1277	1373	1537	1685	1784	1883	1978	2078
nominal growth, %	7,2	6,2	11,7	7,5	11,9	9,6	5,8	5,5	5	5
real growth, %	4,2	6	8,2	-8,4	2,8	8,1	3,2	3,2	2,4	2,4
Number of persons employed, thsd	910	893	864	886	884	877	876	875	873	869
growth, %	0,1	-1,9	-3,2	2,5	-0,2	-0,8	-0,1	-0,1	-0,2	-0,5
Unemployment rate, %	6,3	8,1	7,6	6,9	6,5	6,9	6,7	6,3	5,7	5,2

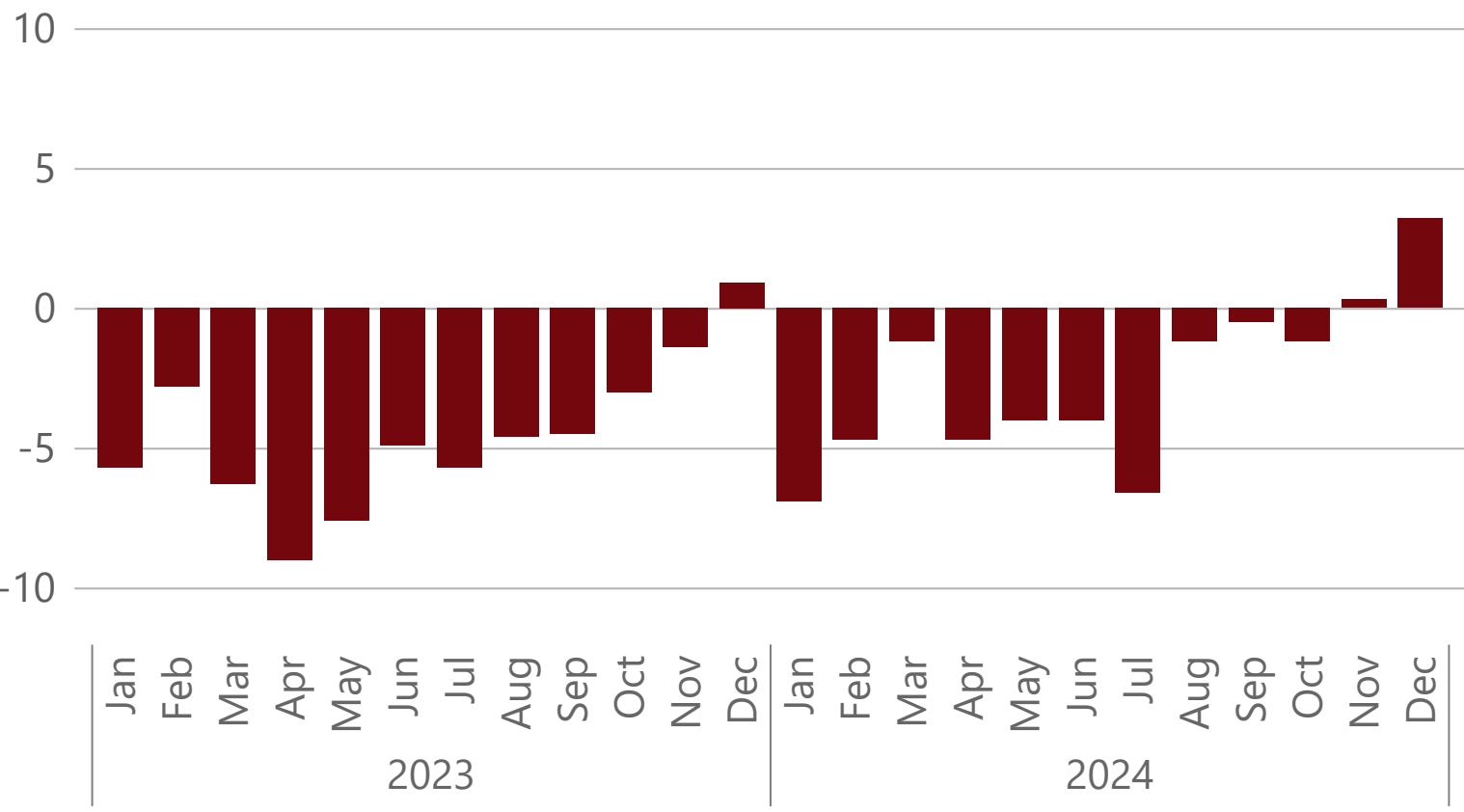
Source: CSB (28.02.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2025)

INDUSTRIES

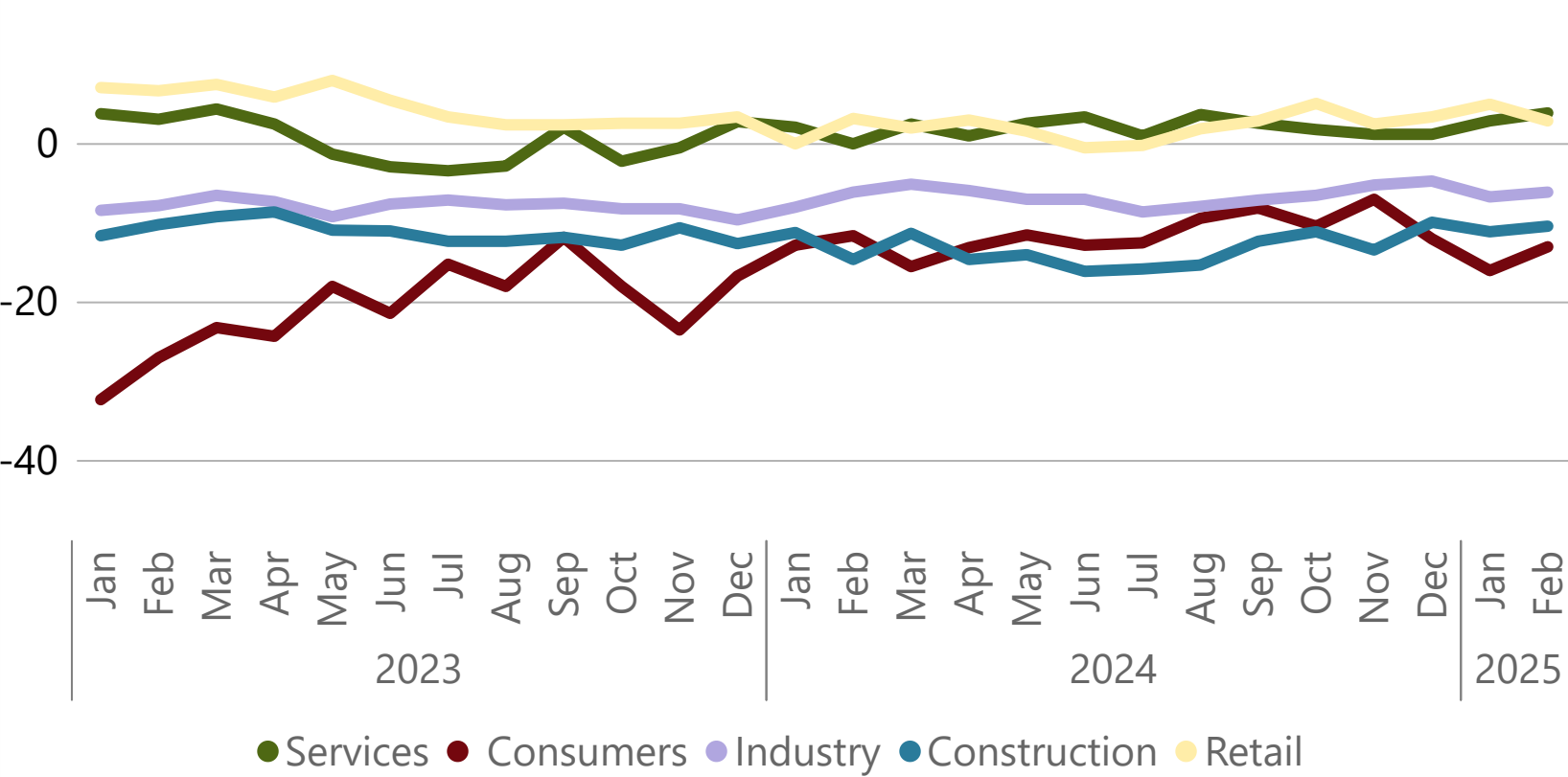
Retail trade growth, YoY%



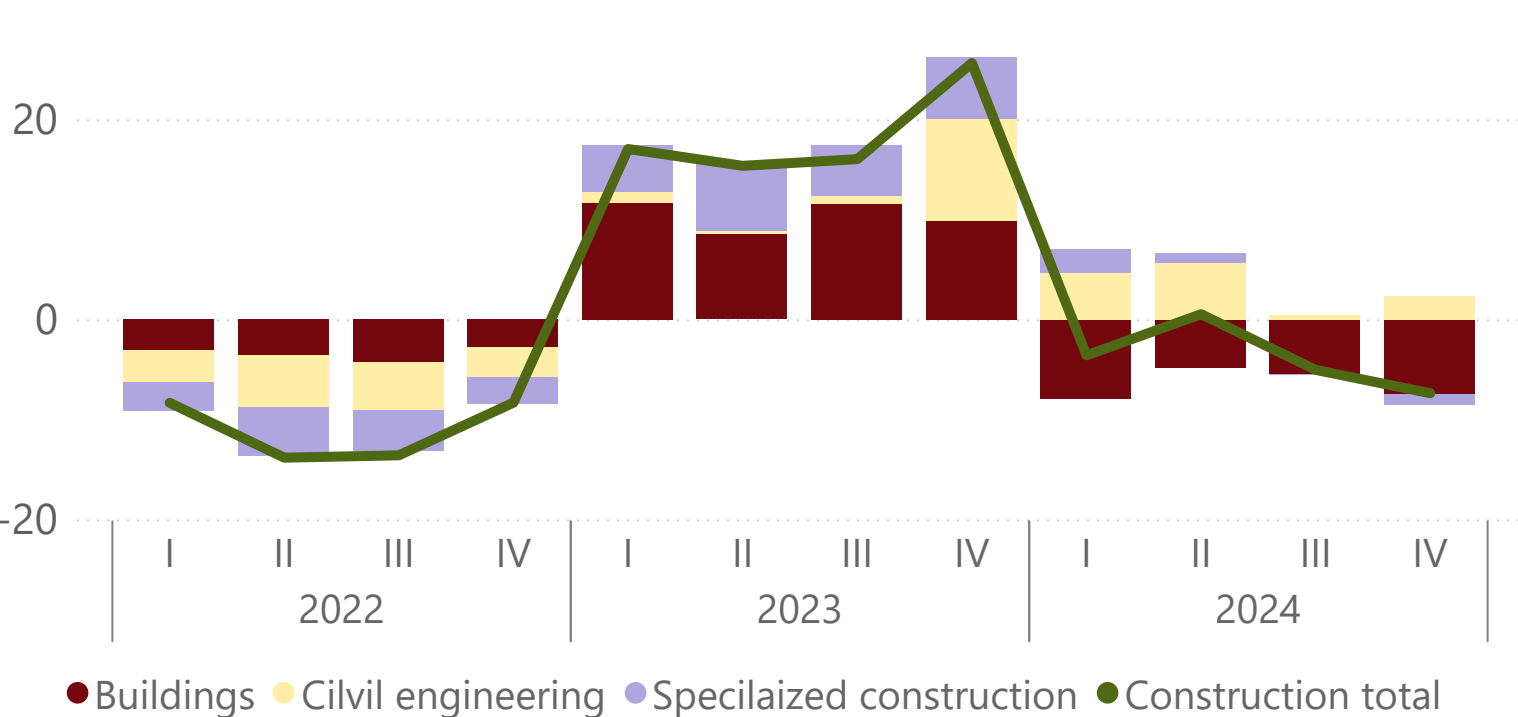
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY



Source: CSB, European Commission

UNEMPLOYMENT

Registered unemployment

5.5%

January 2025

Labour force survey

7.2%

January 2025

Private sector

1 720€
(+8.5% YoY)

4thQ 2024

WAGE

Public sector

1 809€
(+8.4% YoY)

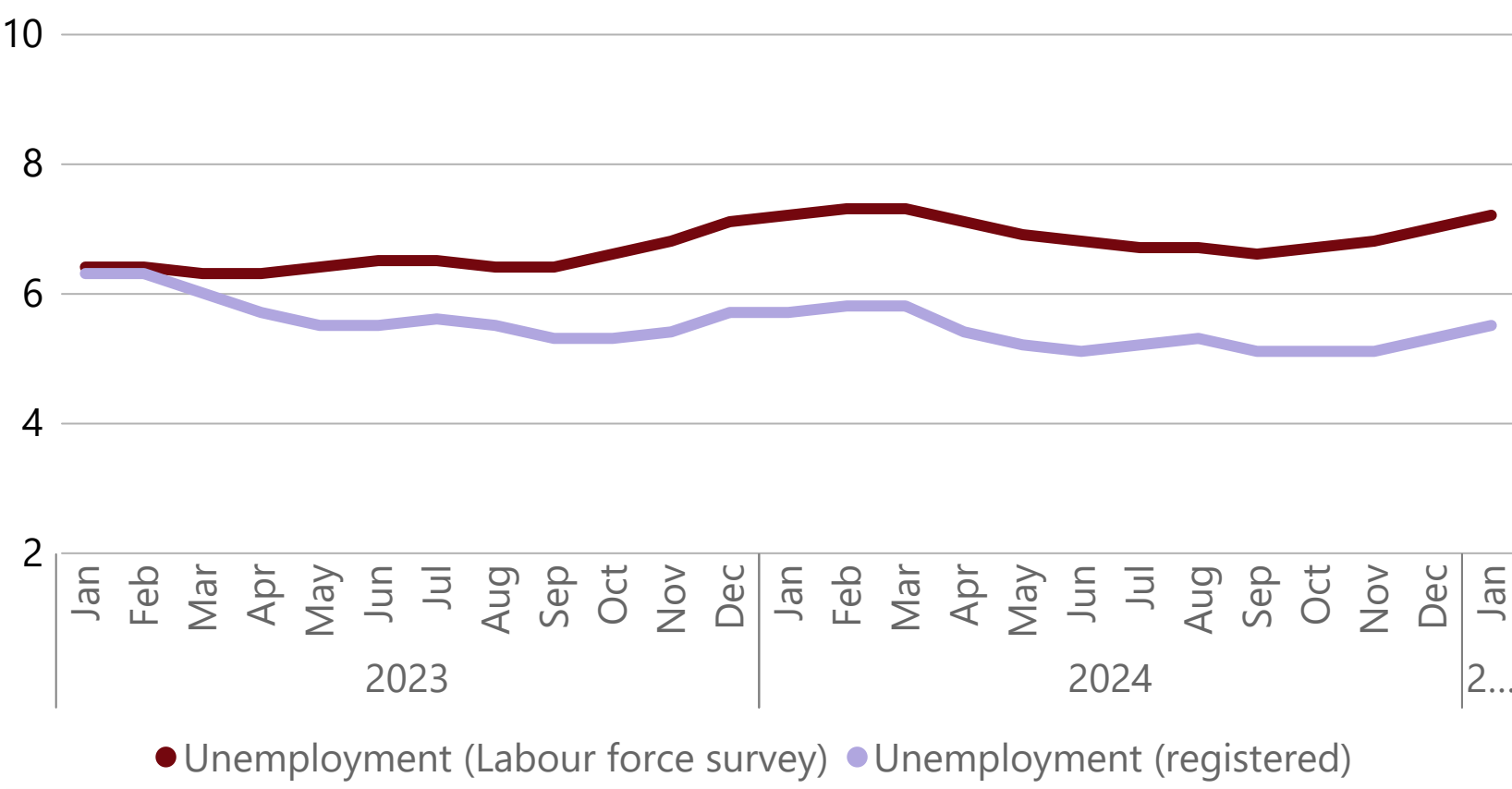
4thQ 2024

Total

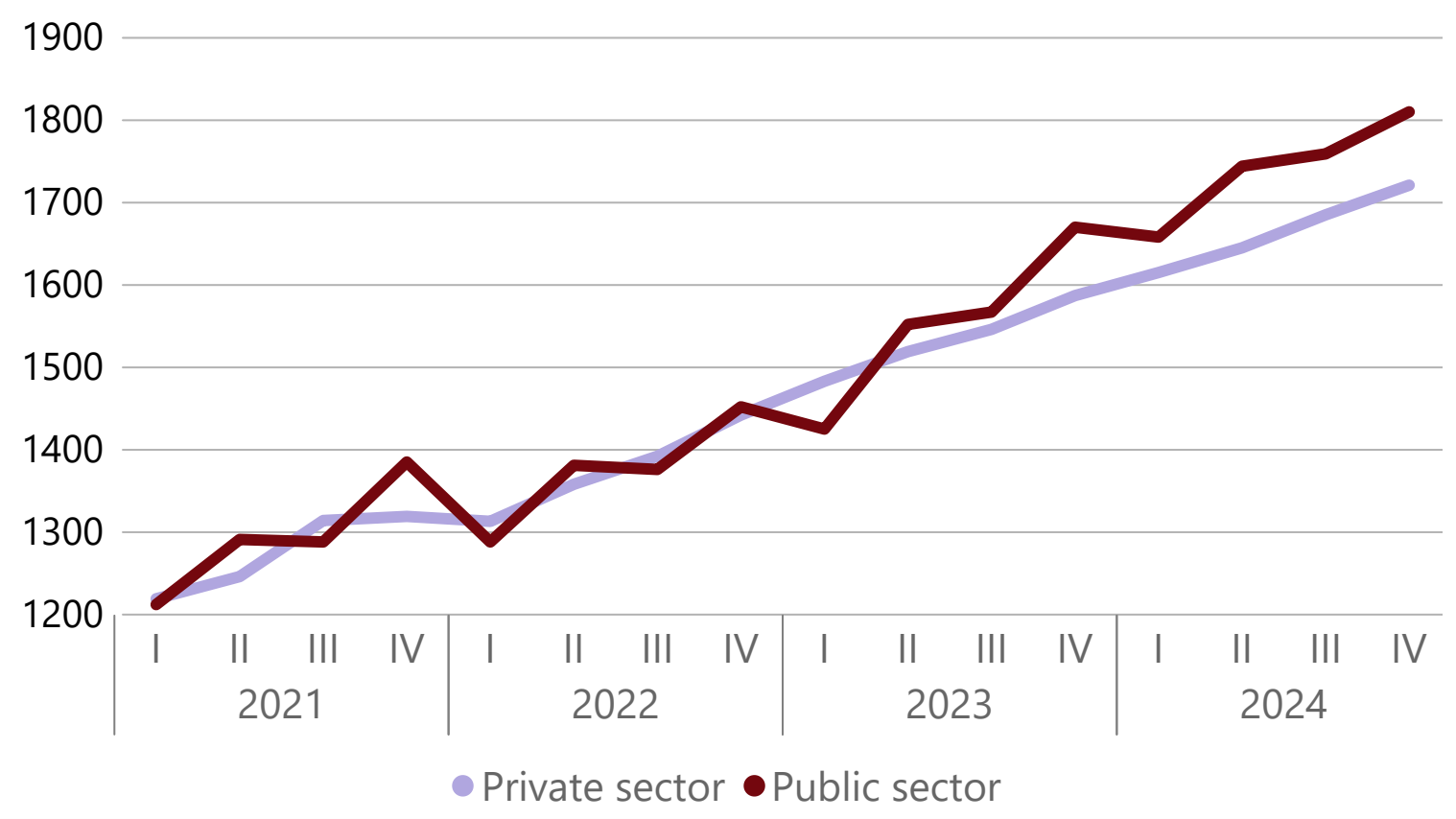
1 744€
(+8.3% YoY)

4thQ 2024

Unemployment rate, %



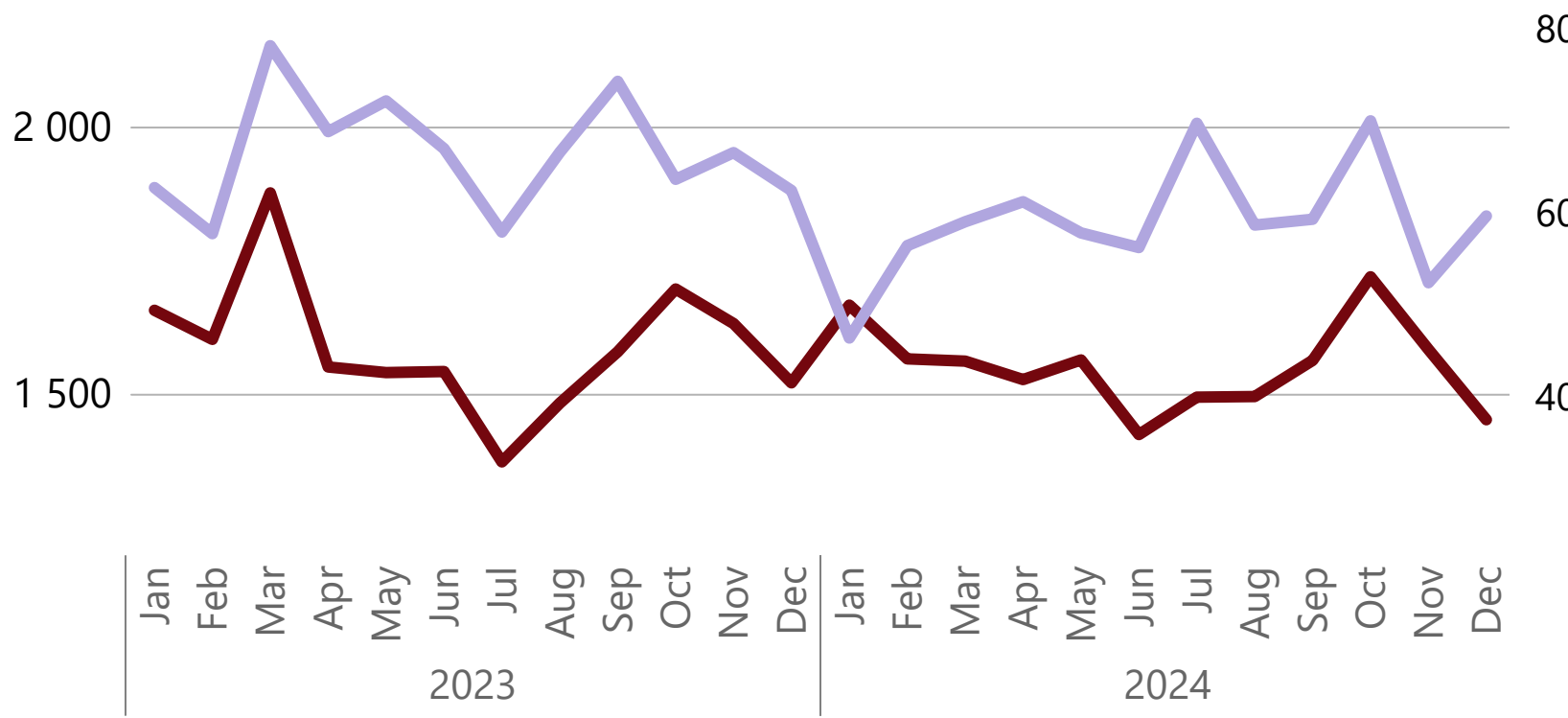
Average monthly gross wage, €



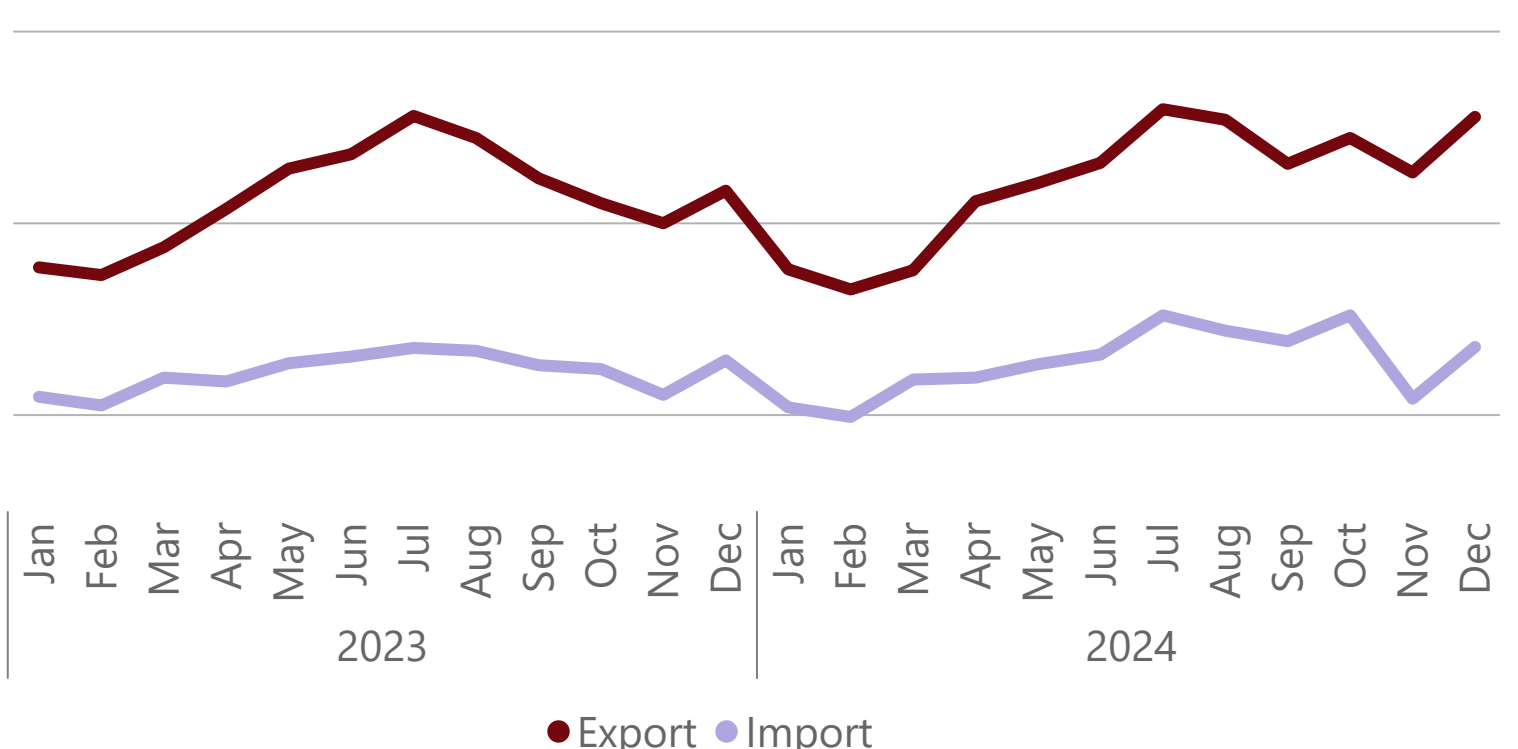
Source: CSB, State Employment Agency

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2024

-2.1% of GDP

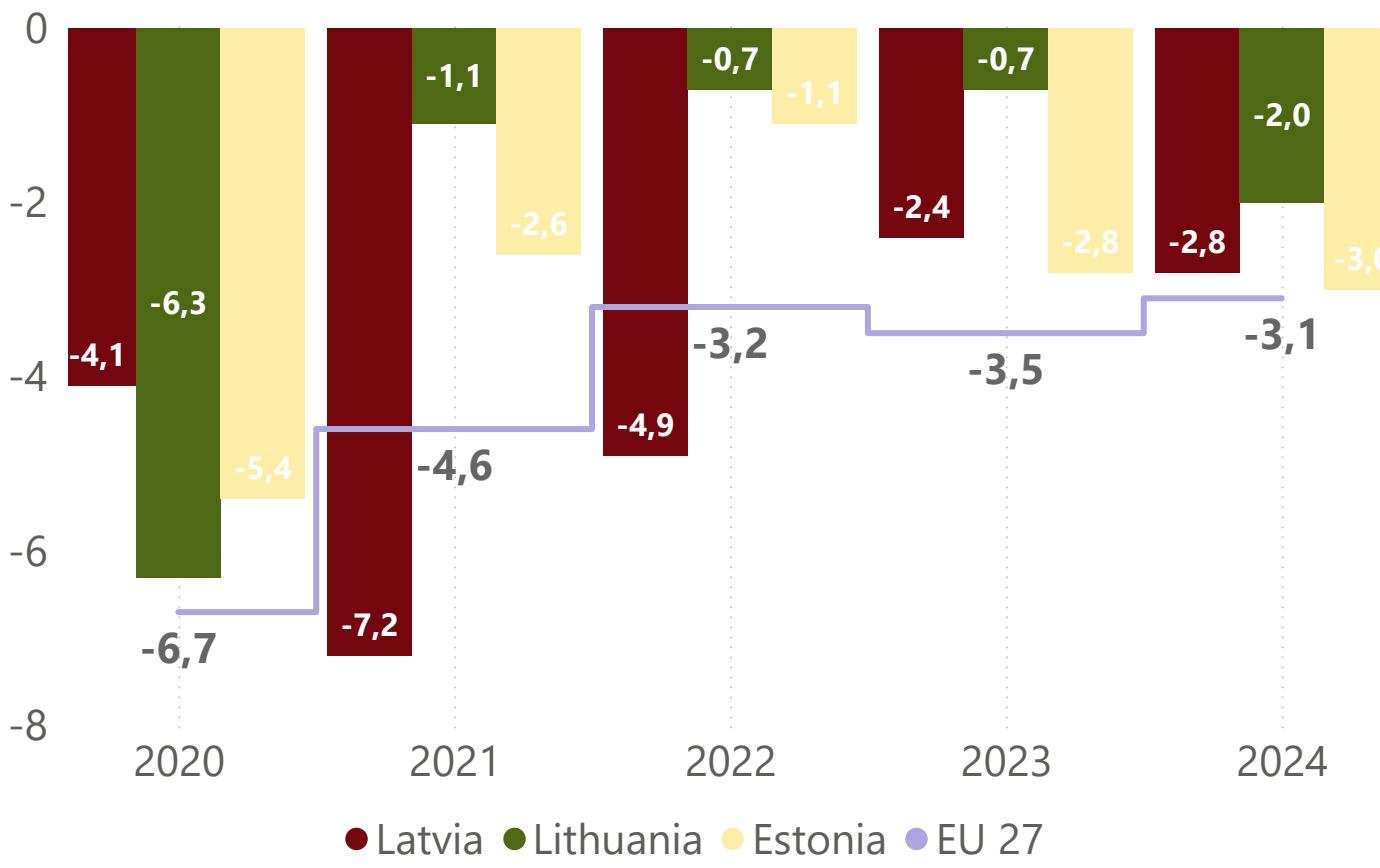
Assessment of MoF, January 2025

General government debt 2024

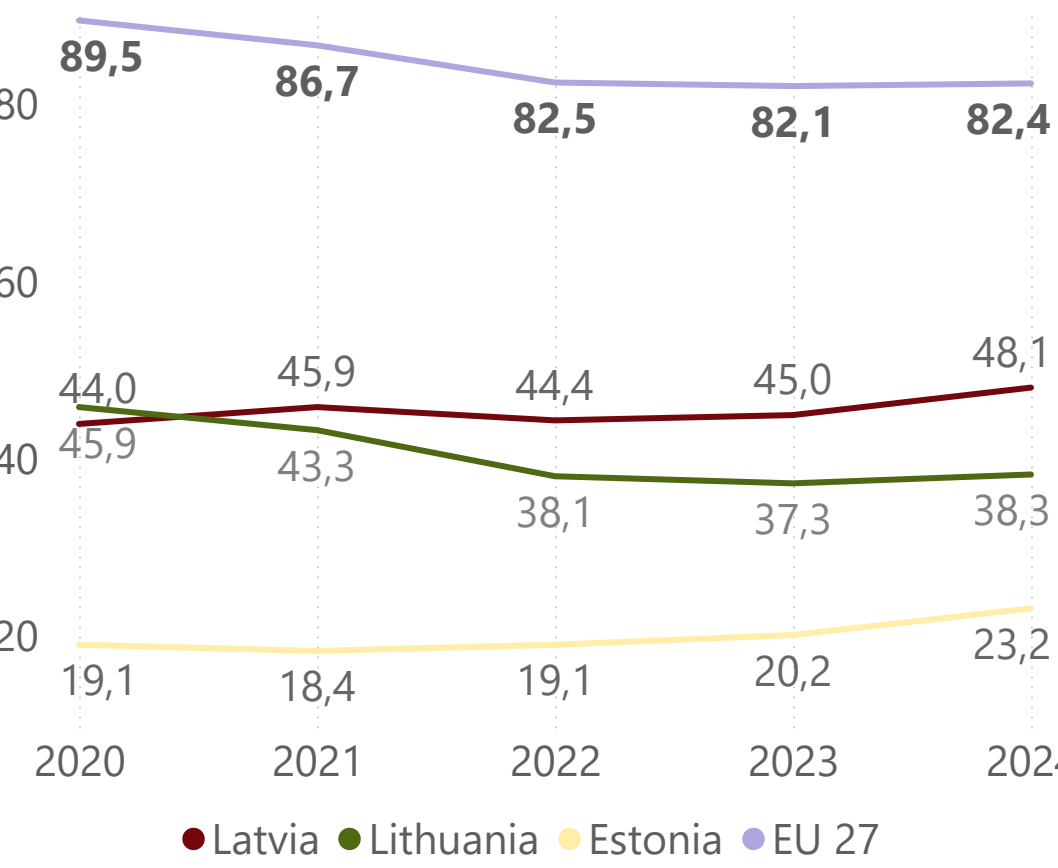
47.7% of GDP

Assessment of Treasury, January 2025

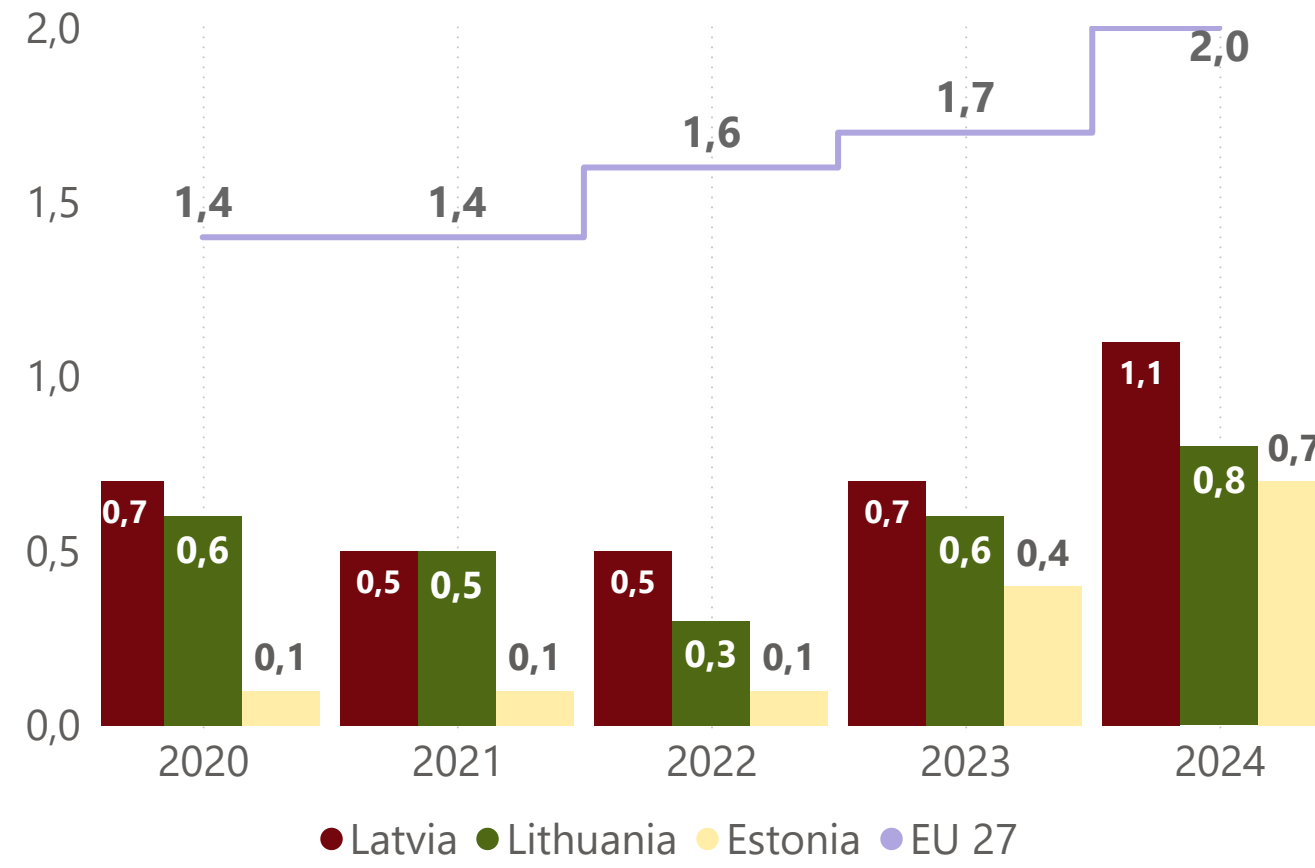
General government budget balance, % of GDP



General government debt, % of GDP



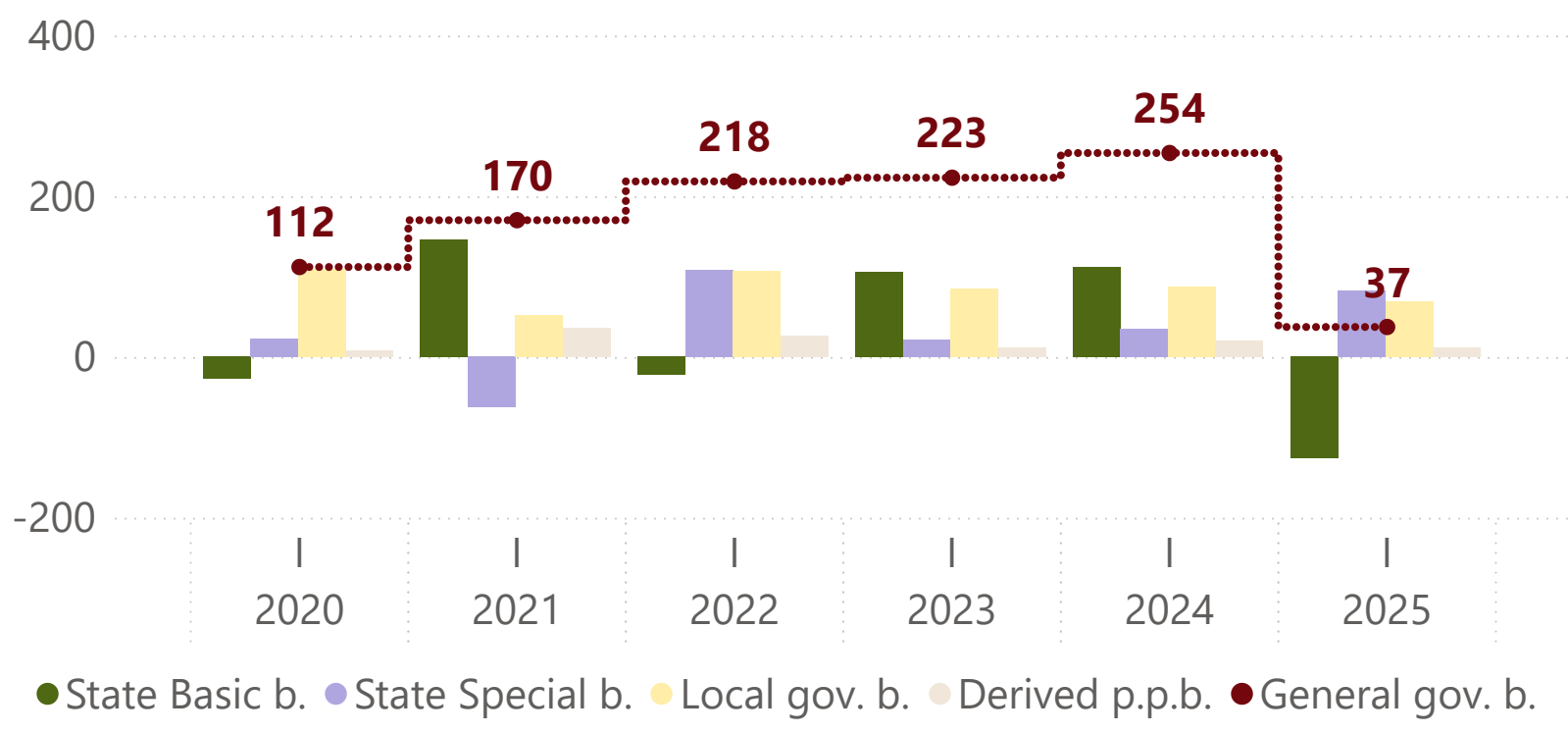
Interest expenditure (D.41), % of GDP



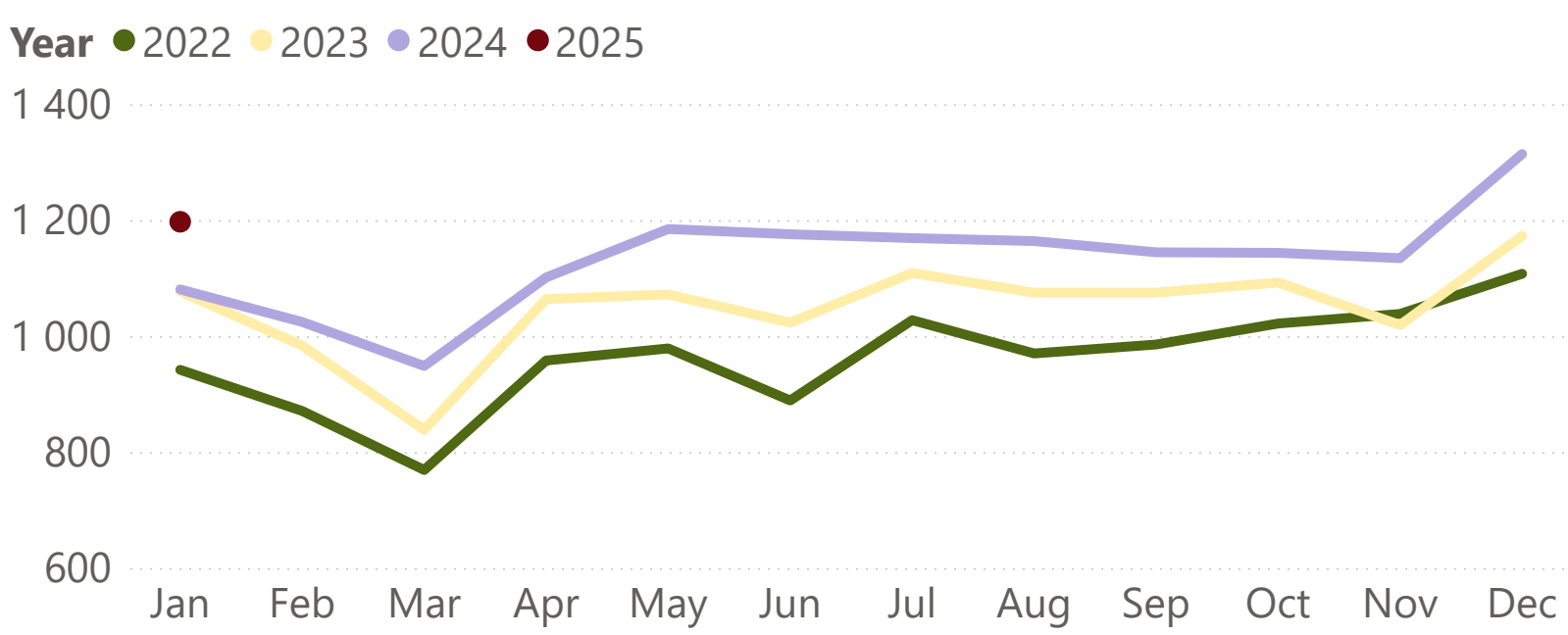
Source: Eurostat, European Commission forecasts Autumn 2024 (AMECO).

GENERAL GOVERNMENT BUDGET JANUARY 2025 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: State Treasury

General government budget tax revenue in January 2025, including revenue in the single tax account (-167.3 mln €) and excluding SSC at the 2nd pension pillar (71.4 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 450,5	-106,9	-6,9%
Expenditure	1 413,2	109,6	8,4%
Balance	37,3	-216,5	

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General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	431,3	33,6	8,5%
VAT	327,4	-15,1	-4,4%
PIT	316,8	46,7	17,3%
CIT	137,1	70,7	106,6%
EXCISE	99,9	-0,9	-0,9%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	1 197,1	116,6	10,8%
Non tax revenue	72,9	-18,8	-20,5%
Self-earned revenue	60,4	3,1	5,4%
Foreign financial assistance	119,8	-208,1	-63,5%
Expenditure			
Remuneration	227,2	3,4	1,5%
Goods and services	143,3	-16,5	-10,3%
Interest payments	98,6	55,4	128,5%
Subsidies and grants	331,2	9,7	3,0%
Social support	474,9	18,4	4,0%
Payments to EU budget	32,6	11,5	54,8%
Capital expenditure	95,7	30,3	46,4%

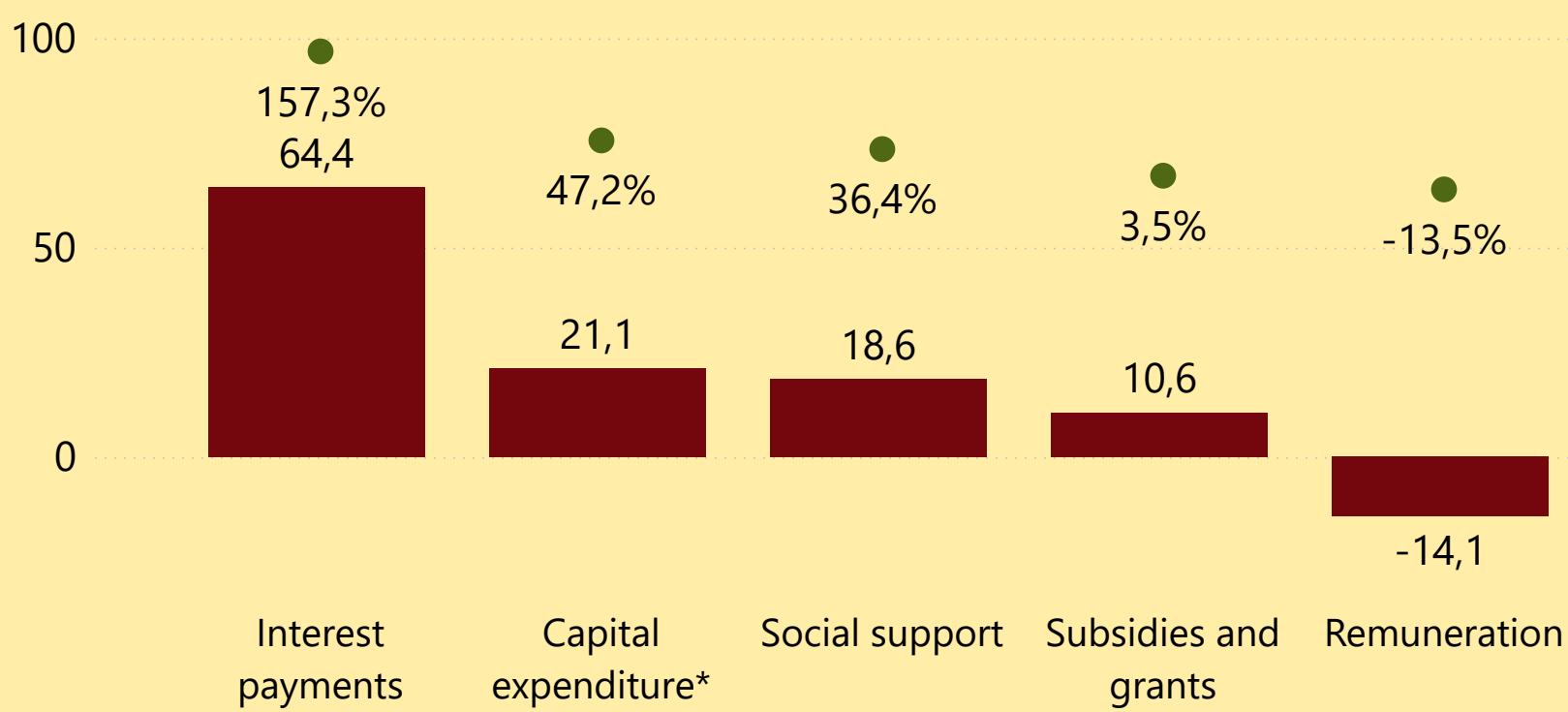
Tax revenue	1 197,1	116,6	10,8%
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Subsidies and grants	331,2	9,7	3,0%
Social support	474,9	18,4	4,0%
Payments to EU budget	32,6	11,5	54,8%
Capital expenditure	95,7	30,3	46,4%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	821,2	-100,6	-10,9%
Expenditure	947,2	137,3	17,0%
Balance	-126,0	-238,0	

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



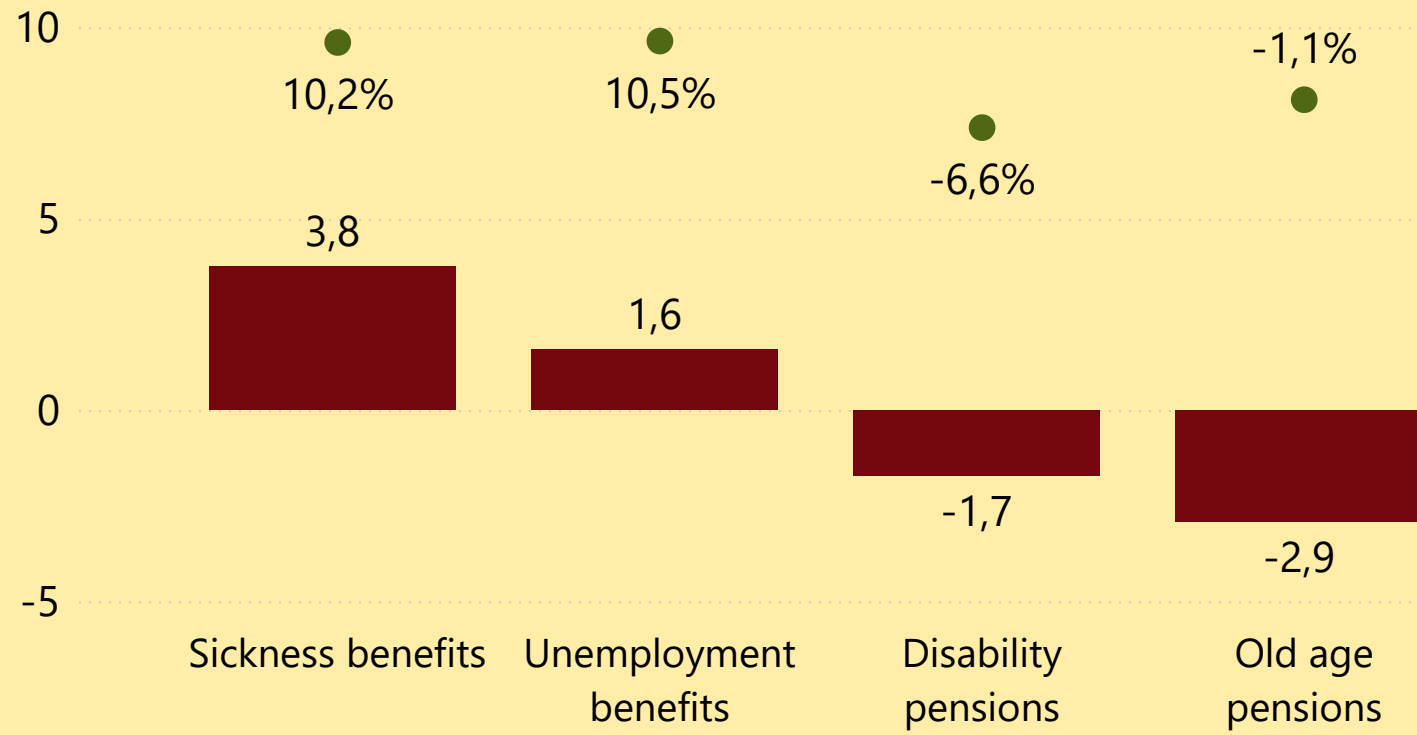
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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	467,8	48,9	11,7%
Expenditure	385,1	1,0	0,3%
Balance	82,8	47,9	

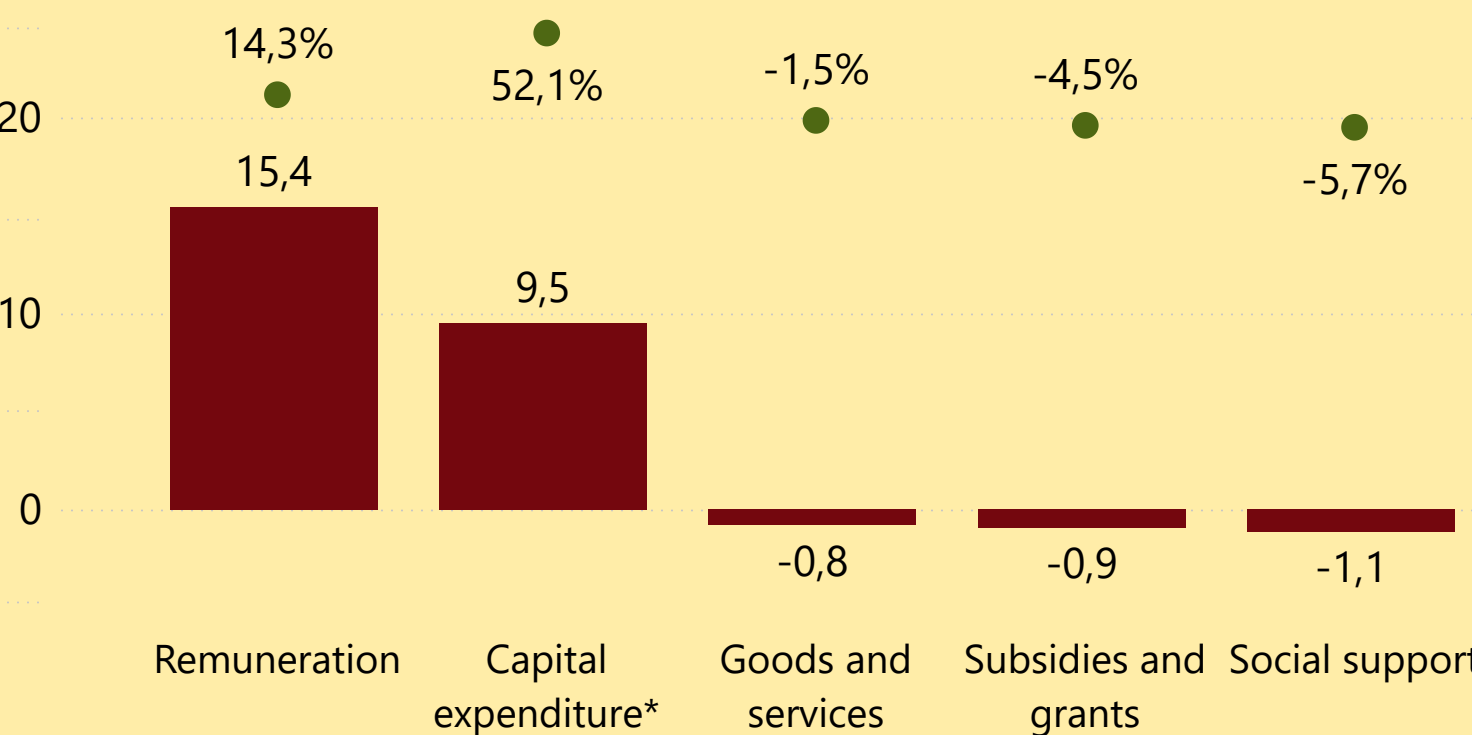
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

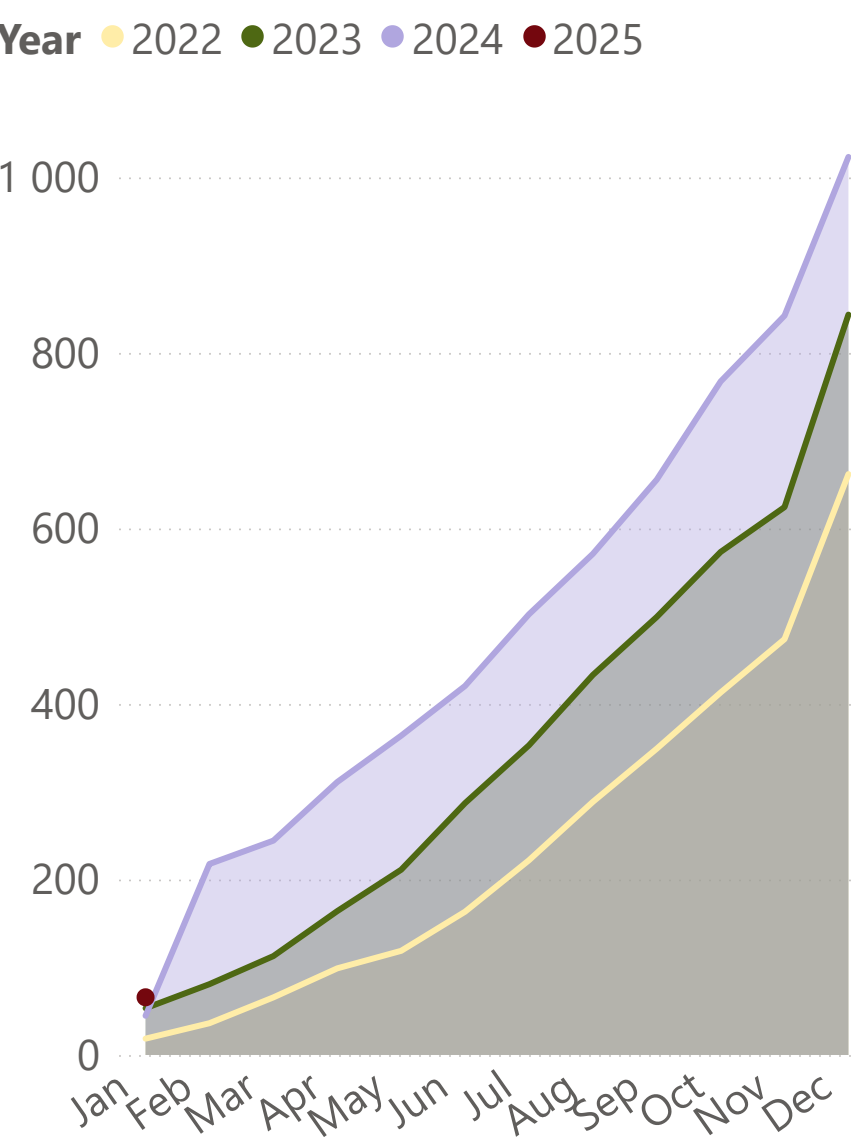
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	334,1	4,0	1,2%
Expenditure	265,0	21,8	9,0%
Balance	69,1	-17,9	

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

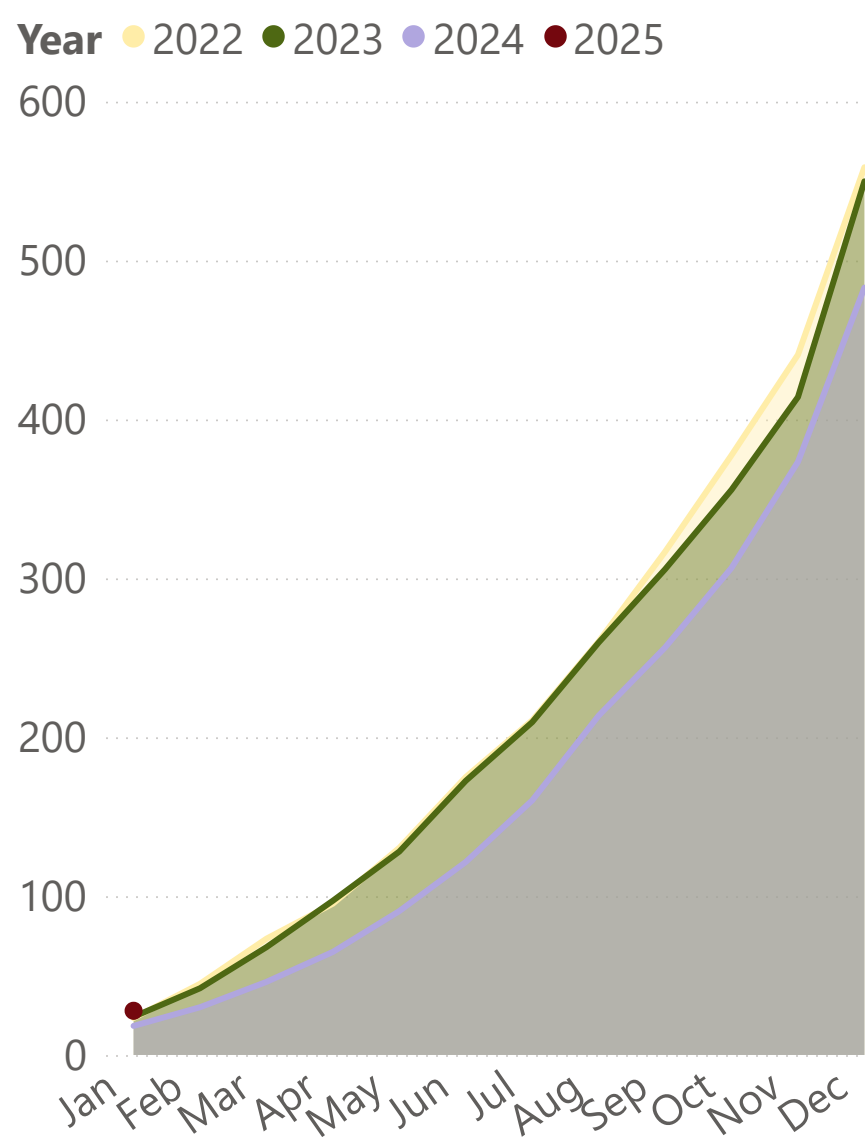


CAPITAL EXPENDITURE

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

425 304
(+0.1% YoY)
January 2025

Unemployment benefit recipients

32 766
(+1.7% YoY)
January 2025

Old-age pensions average amount

612€
(+12.2% YoY)
January 2025

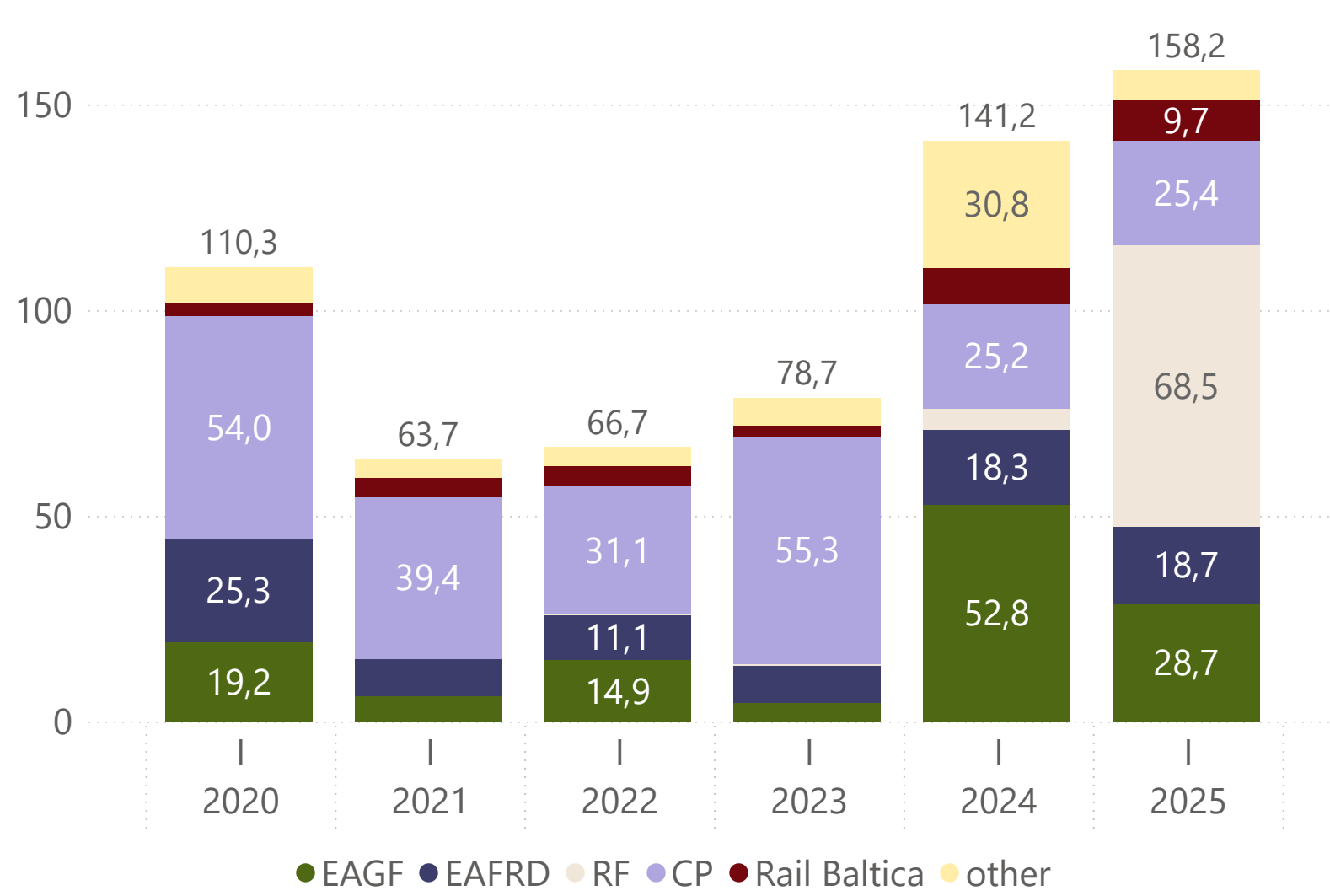
Unemployment benefit average amount

507€
(+8.8% YoY)
January 2025

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