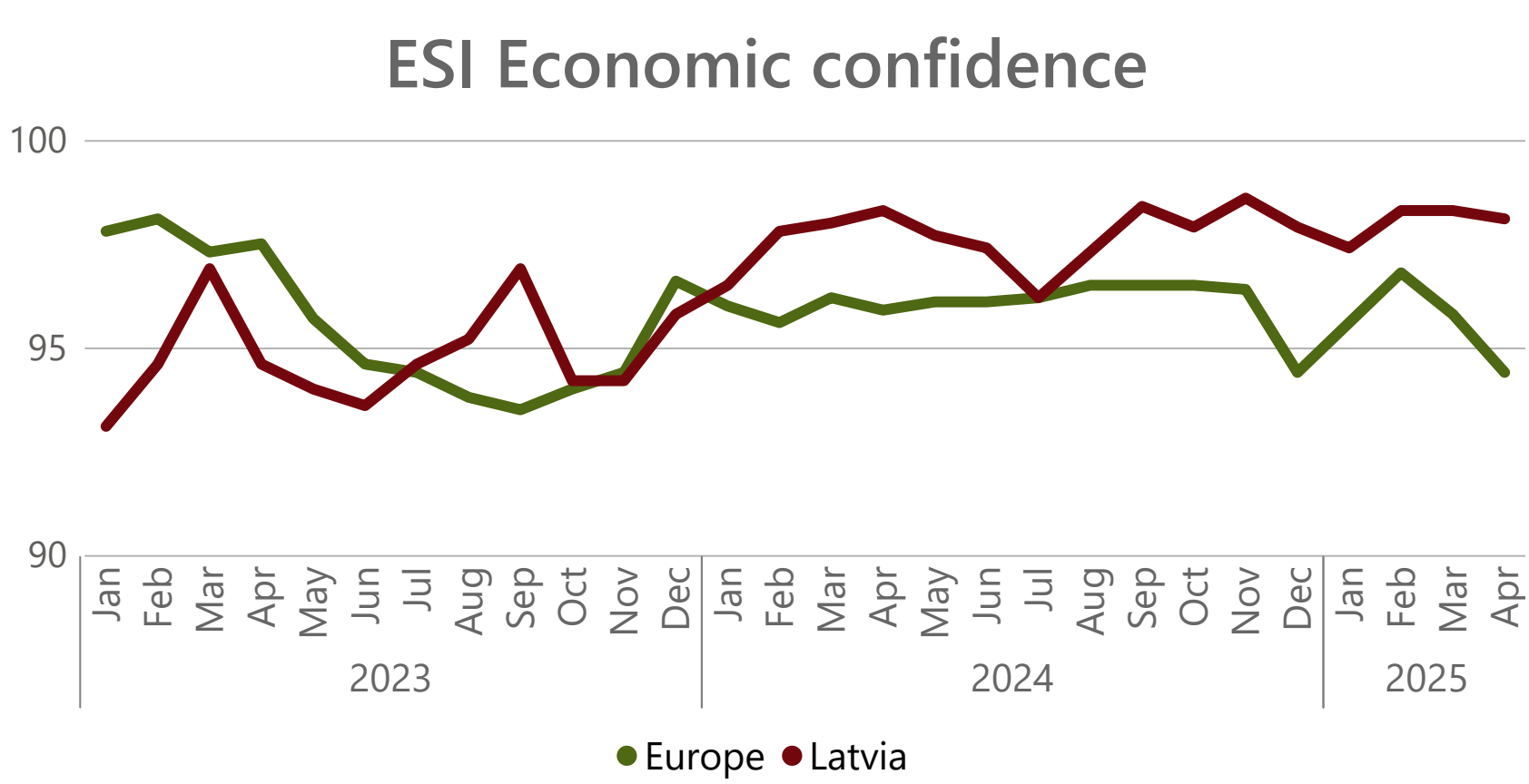
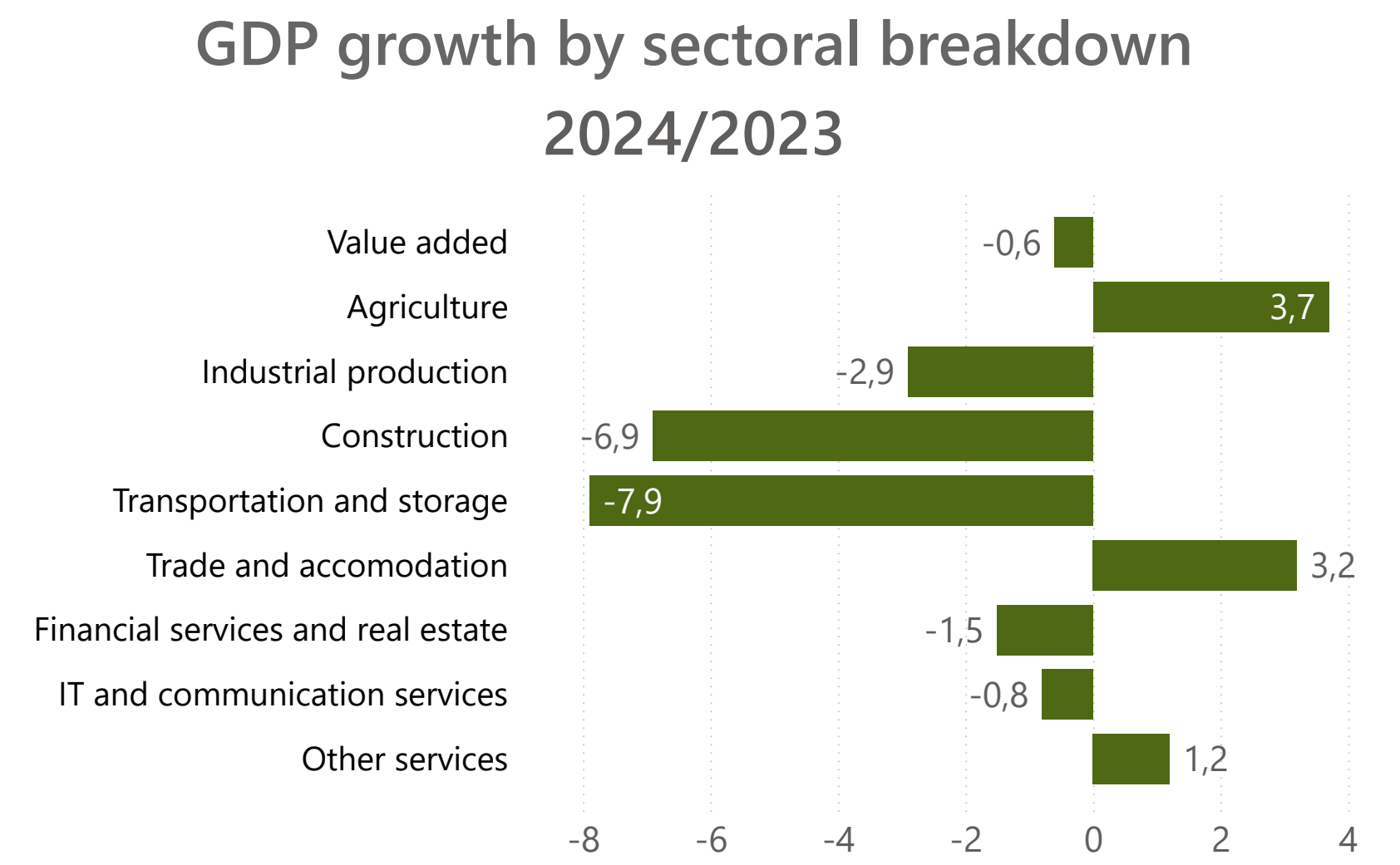


MACROECONOMIC AND BUDGETARY REVIEW 2025

No 3

GROSS DOMESTIC PRODUCT (GDP)

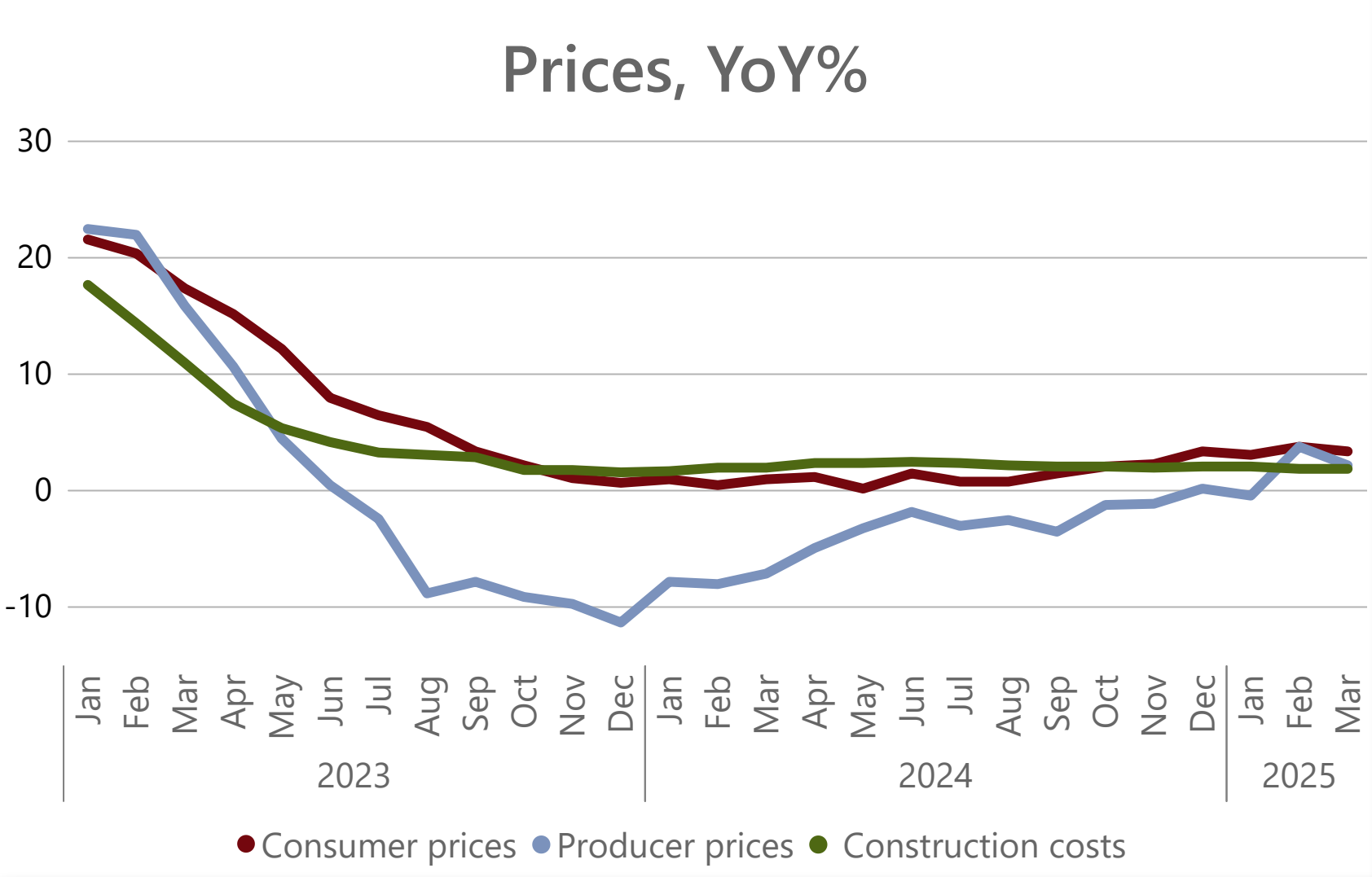
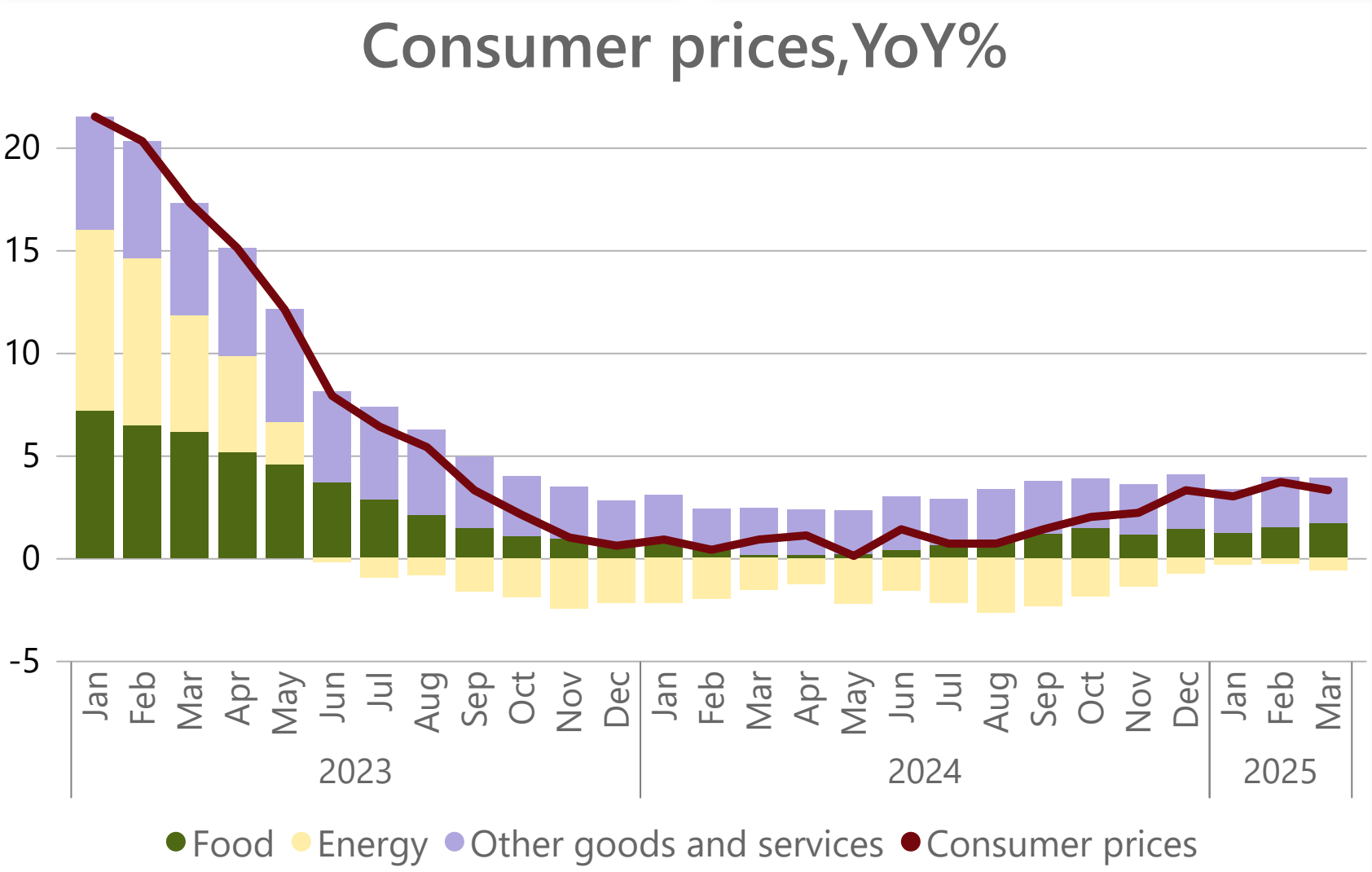
GDP 2024	GDP growth 2025
40 208 mln €	1.2%
CSB, 28.02.2025	MoF forecast, February 2025



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

INFLATION

Inflation	Producer price rise
3.3%	2,1%
March 2025	March 2025



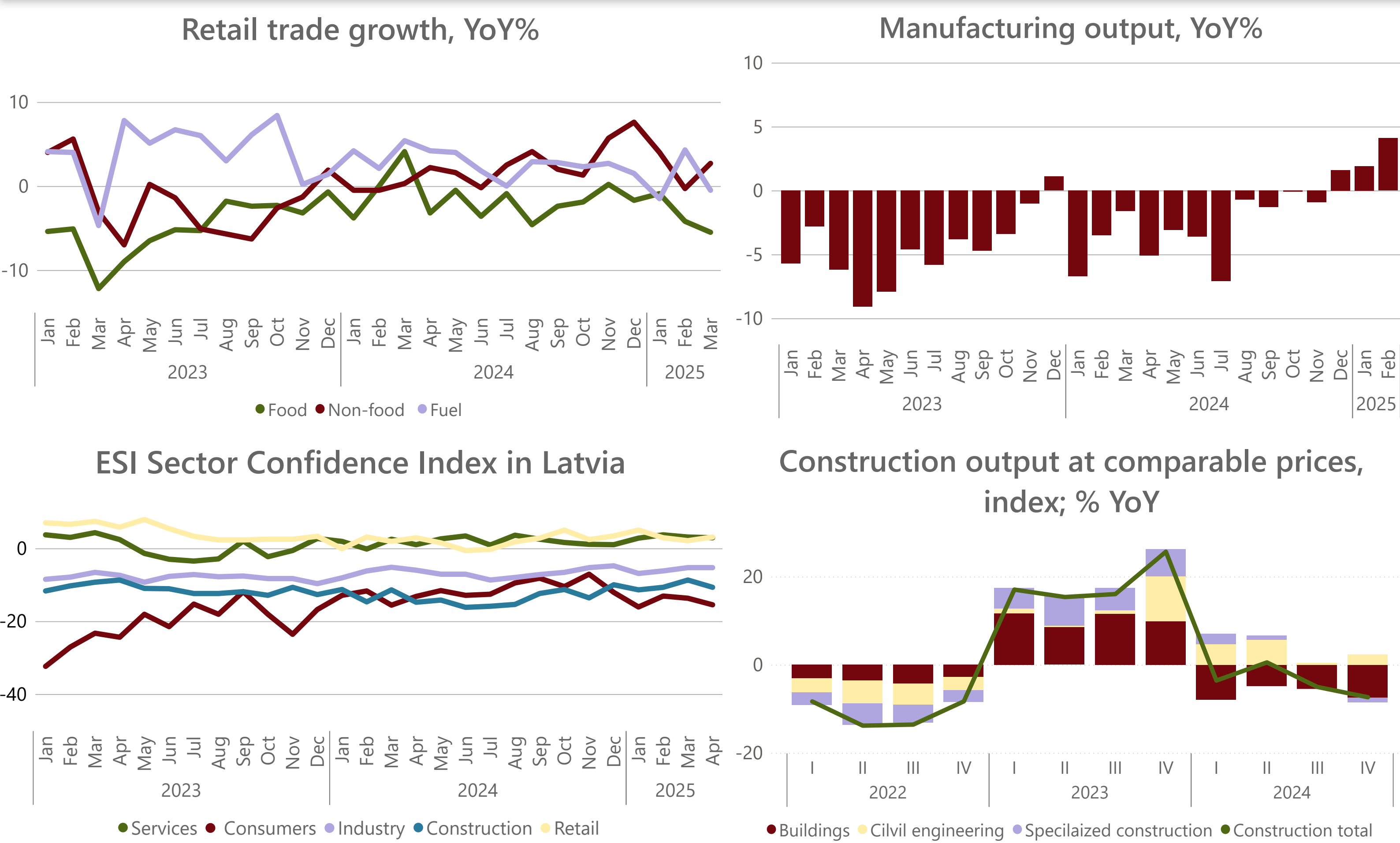
Source: CSB

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	1783	1881	1975	2074
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	8,2	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	2,6	-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)

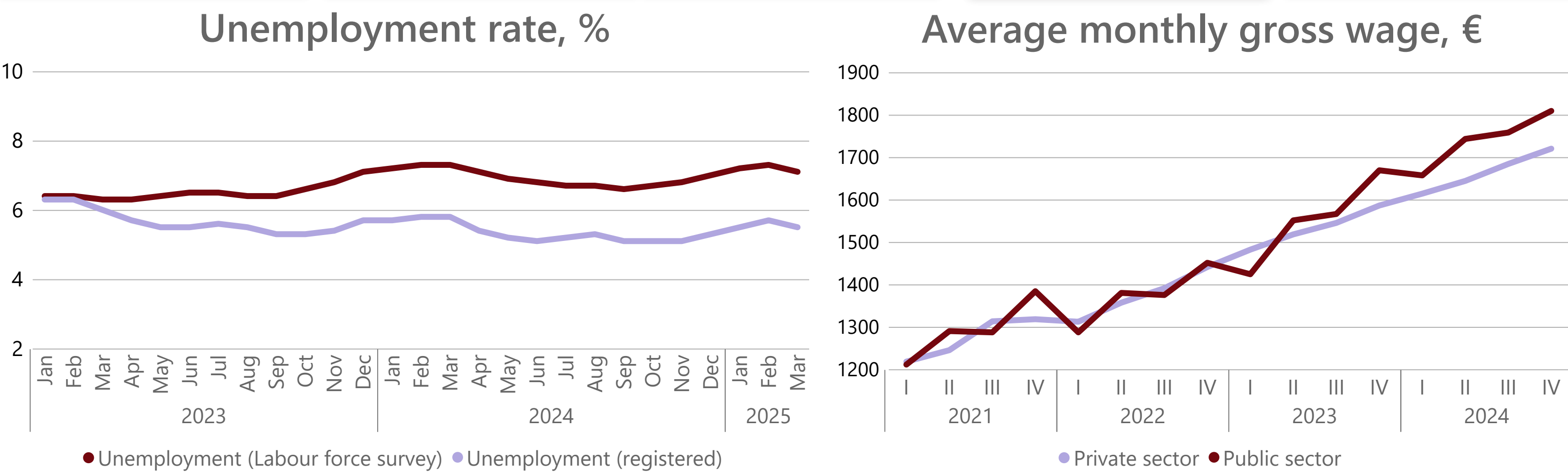
INDUSTRIES



Source: CSB, European Commission

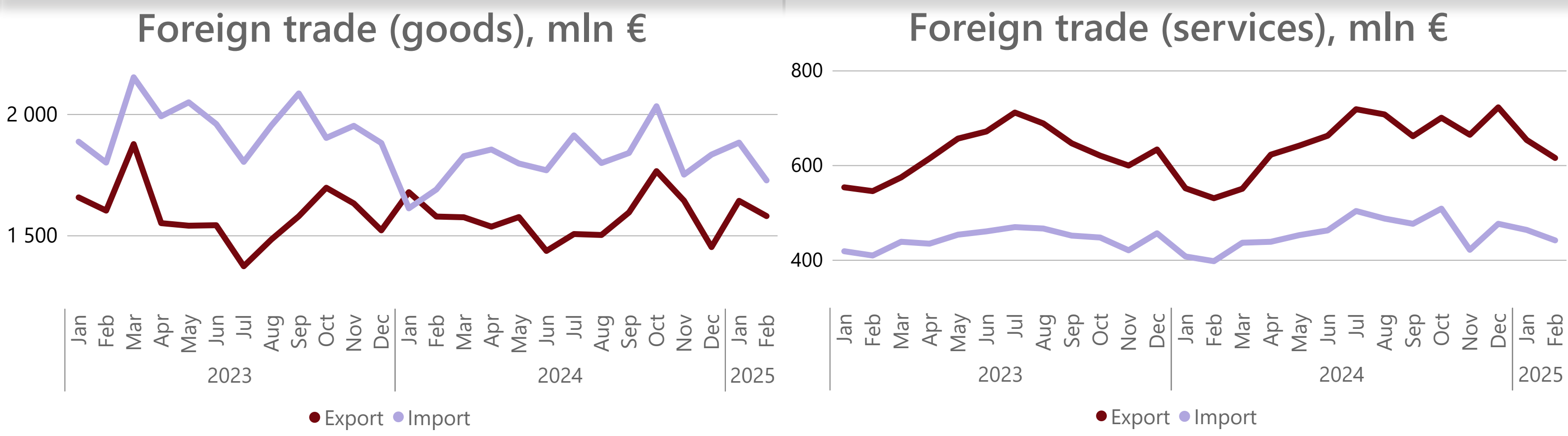
UNEMPLOYMENT

Registered unemployment	Labour force survey	Private sector	Public sector	Total
5.5%	7.1%	1 720€ (+8.5% YoY)	1 809€ (+8.4% YoY)	1 744€ (+8.3% YoY)
March 2025	March 2025	4thQ 2024	4thQ 2024	4thQ 2024



Source: CSB, State Employment Agency

FOREIGN TRADE



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-3.1% of GDP

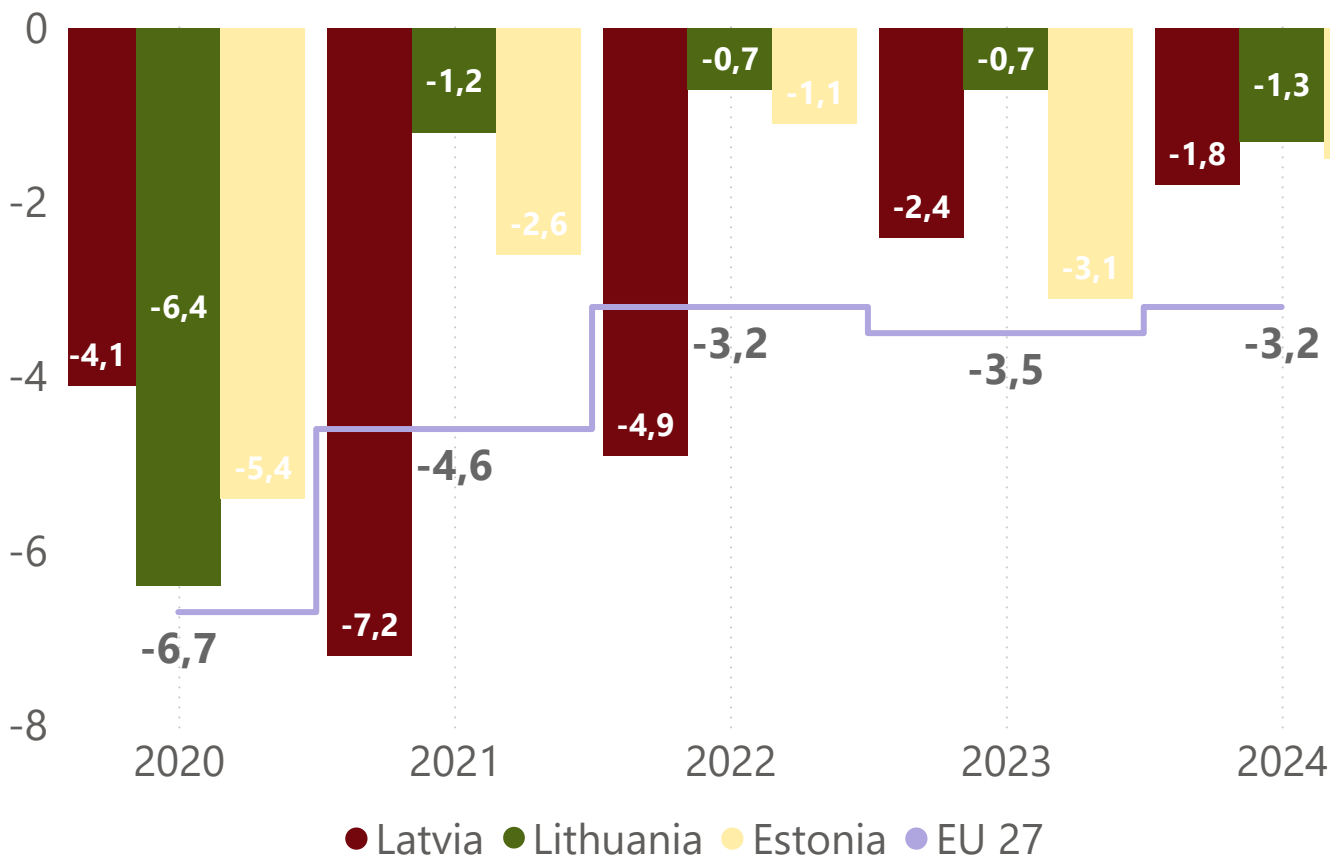
Forecast of MoF, March 2025

General government debt 2025

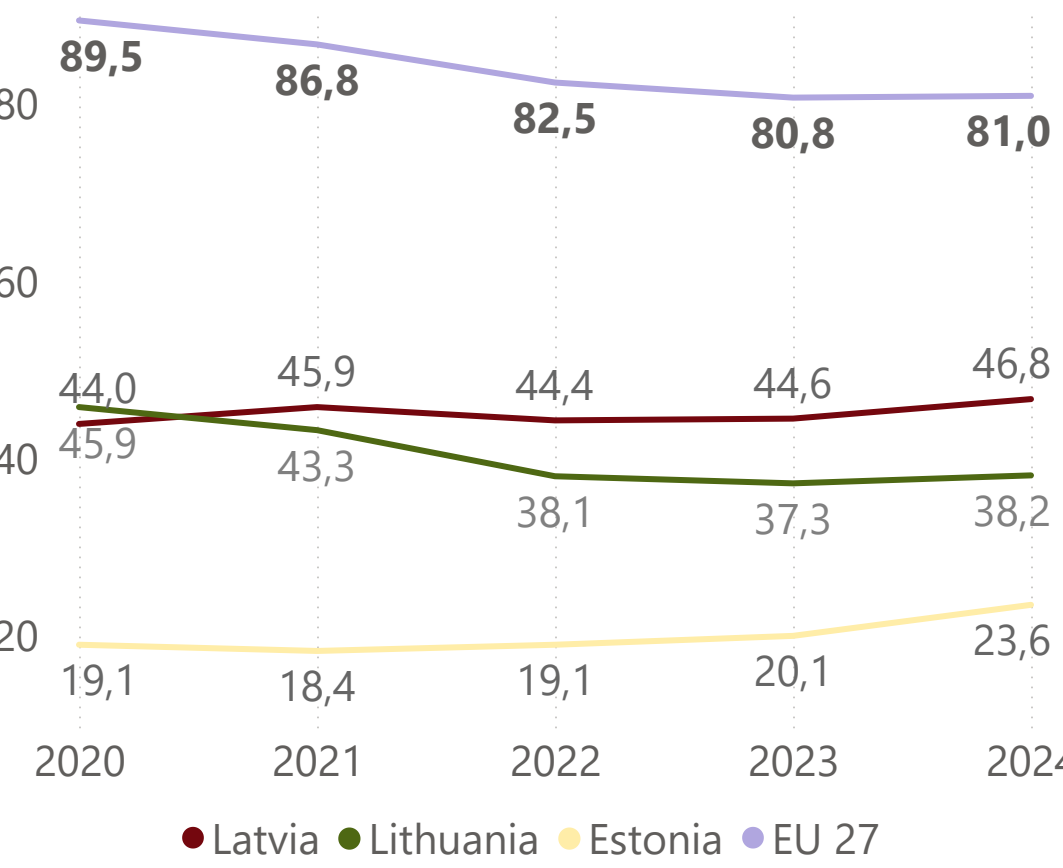
49.0% of GDP

Forecast of Treasury, March 2025

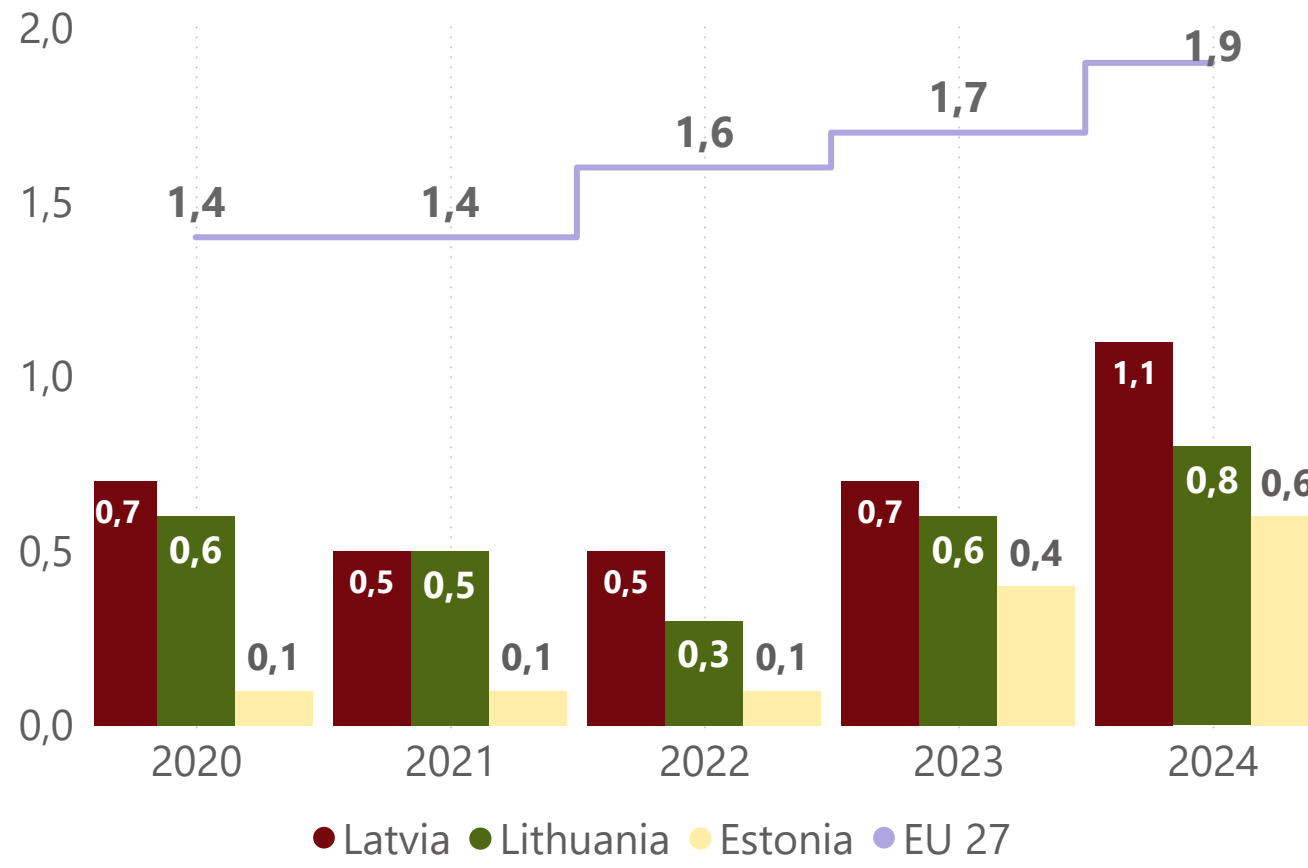
General government budget balance, % of GDP



General government debt, % of GDP



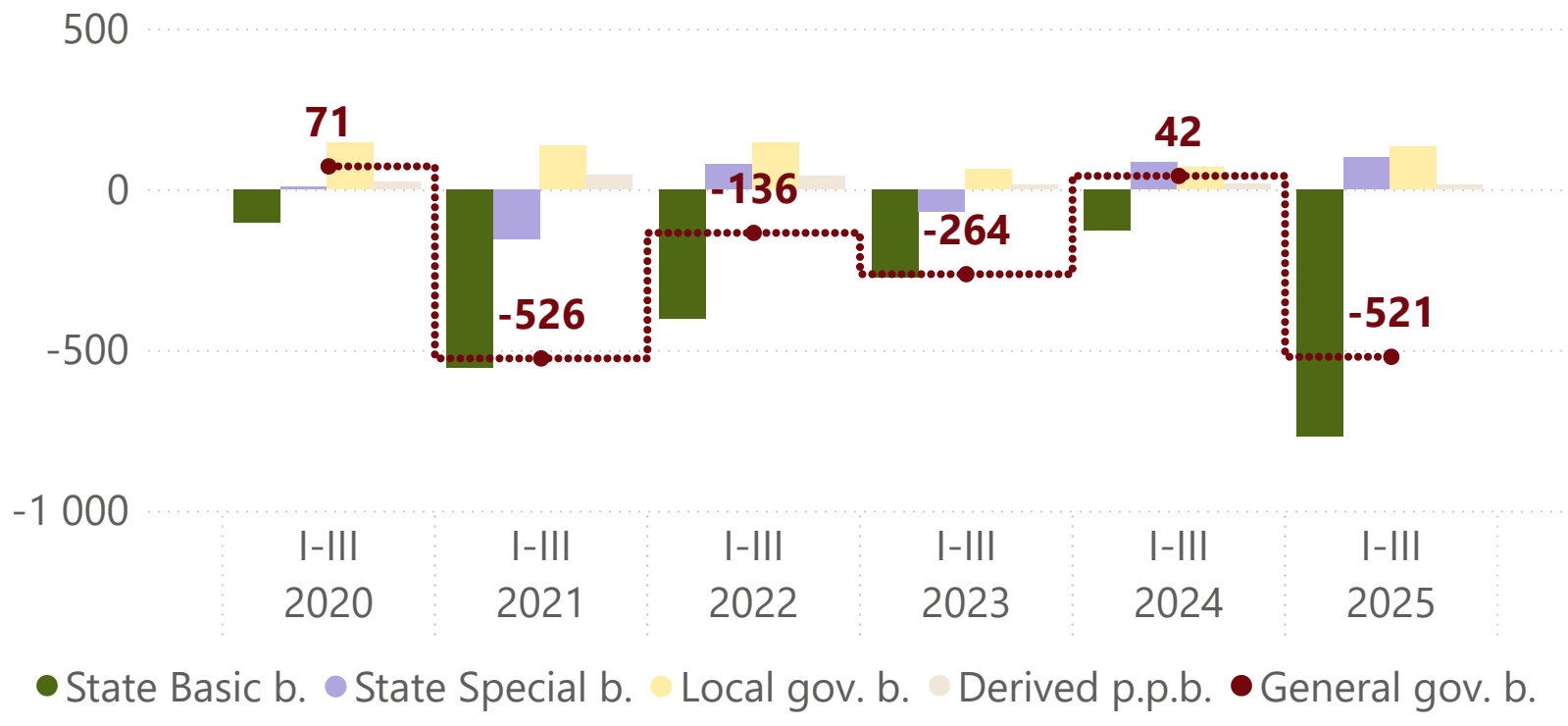
Interest expenditure (D.41), % of GDP



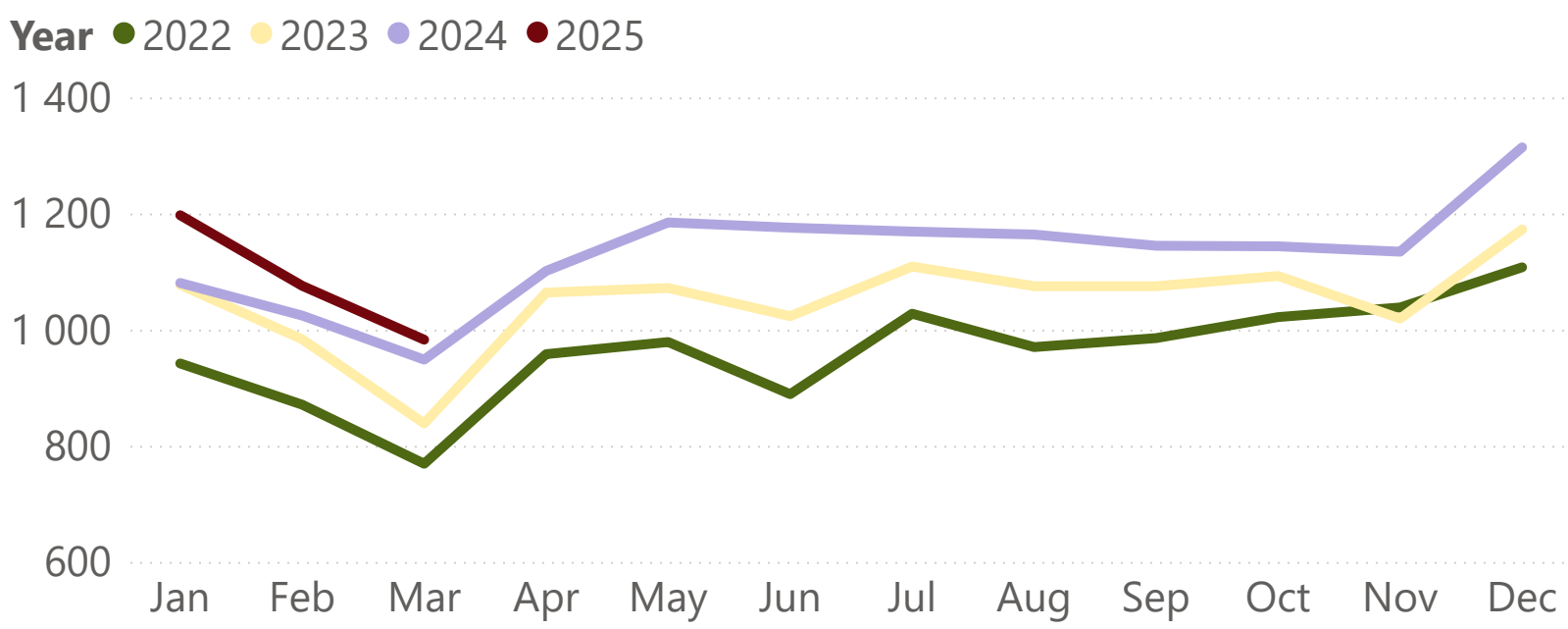
Source: Eurostat, Progress Report 2025 of the Fiscal Structural Plan 2025 – 2028 of Latvia

GENERAL GOVERNMENT BUDGET JANUARY-MARCH 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-February 2025, including revenue in the single tax account (-100.4 mln €) and excluding SSC at the 2nd pension pillar (213.5 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue	4 053,7	-42,3	-1,0%
Expenditure	4 574,8	520,5	12,8%
Balance	-521,2	-562,8	

General government budget tax revenue

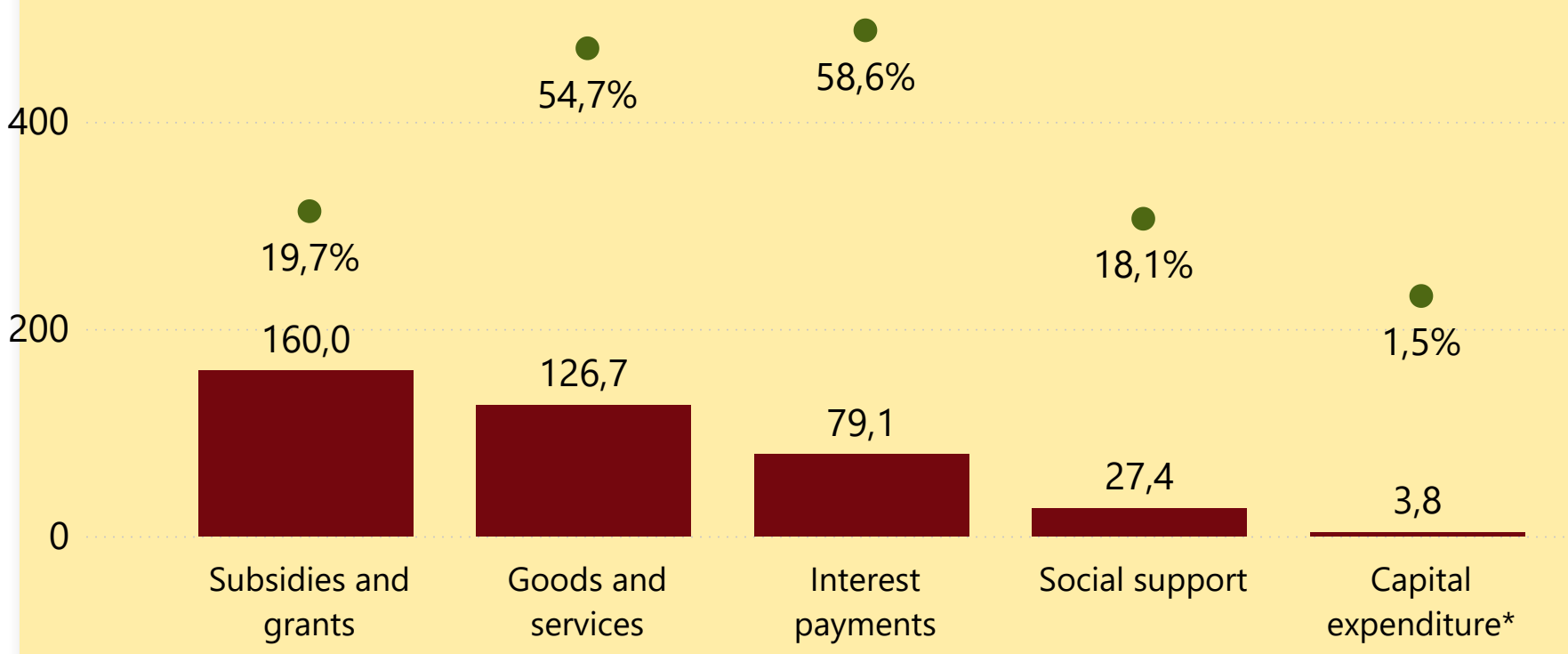
Tax type	Execution, mln €	YoY, mln €	YoY,%
SSC	1 153,6	67,9	6,3%
VAT	913,4	11,7	1,3%
PIT	623,7	49,7	8,7%
EXCISE	285,8	10,7	3,9%
CIT	177,9	66,3	59,5%

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue			
Tax revenue	3 255,4	202,3	6,6%
Non tax revenue	184,5	-18,3	-9,0%
Self-earned revenue	141,2	-7,3	-4,9%
Foreign financial assistance	472,1	-219,0	-31,7%
Expenditure			
Remuneration	903,1	28,9	3,3%
Goods and services	585,4	127,1	27,7%
Interest payments	199,1	55,0	38,2%
Subsidies and grants	1 037,7	160,9	18,4%
Social support	1 394,1	114,8	9,0%
Payments to EU budget	106,4	7,2	7,2%
Capital expenditure	330,1	31,7	10,6%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 207,8	-161,5	-6,8%
Expenditure	2 975,1	479,8	19,2%
Balance	-767,3	-641,2	

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



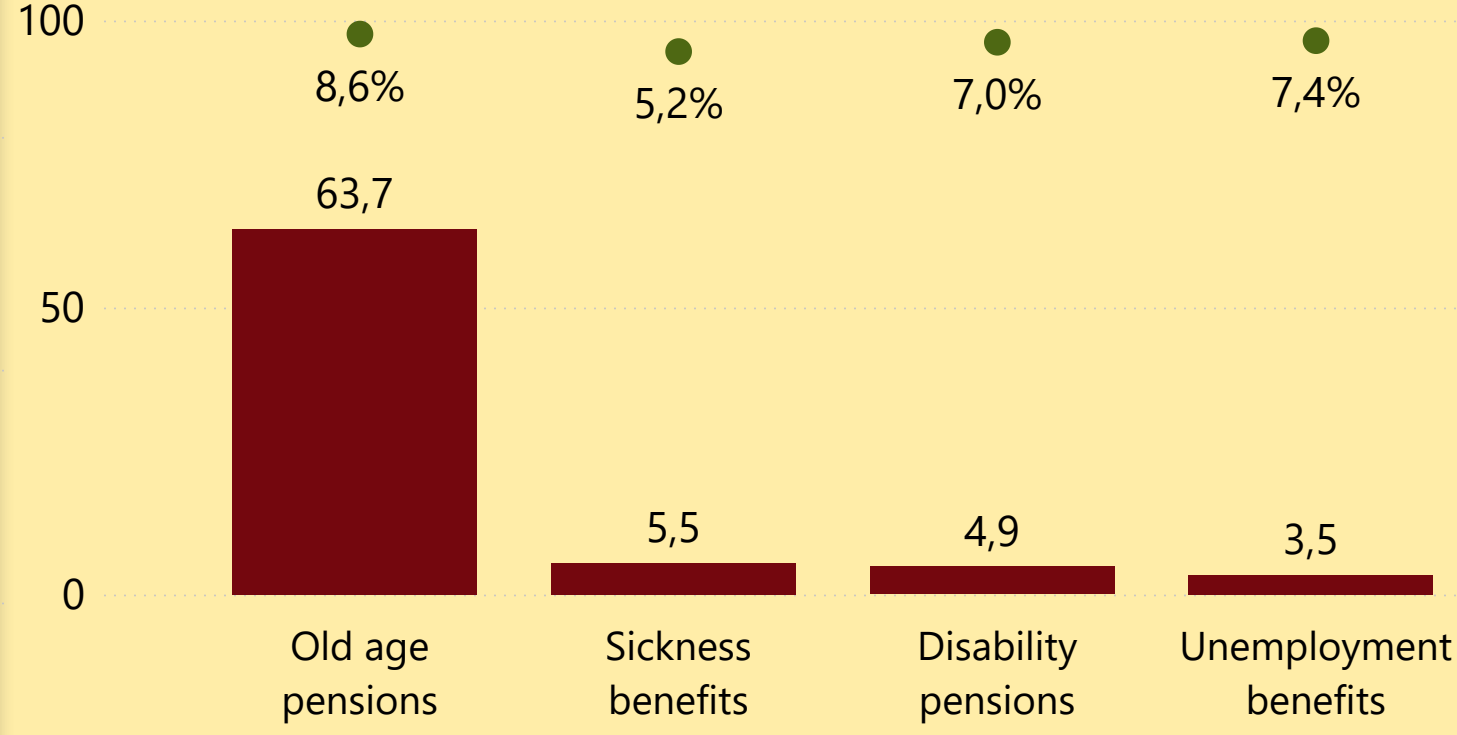
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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	1 247,9	98,6	8,6%
Expenditure	1 149,4	83,3	7,8%
Balance	98,6	15,3	

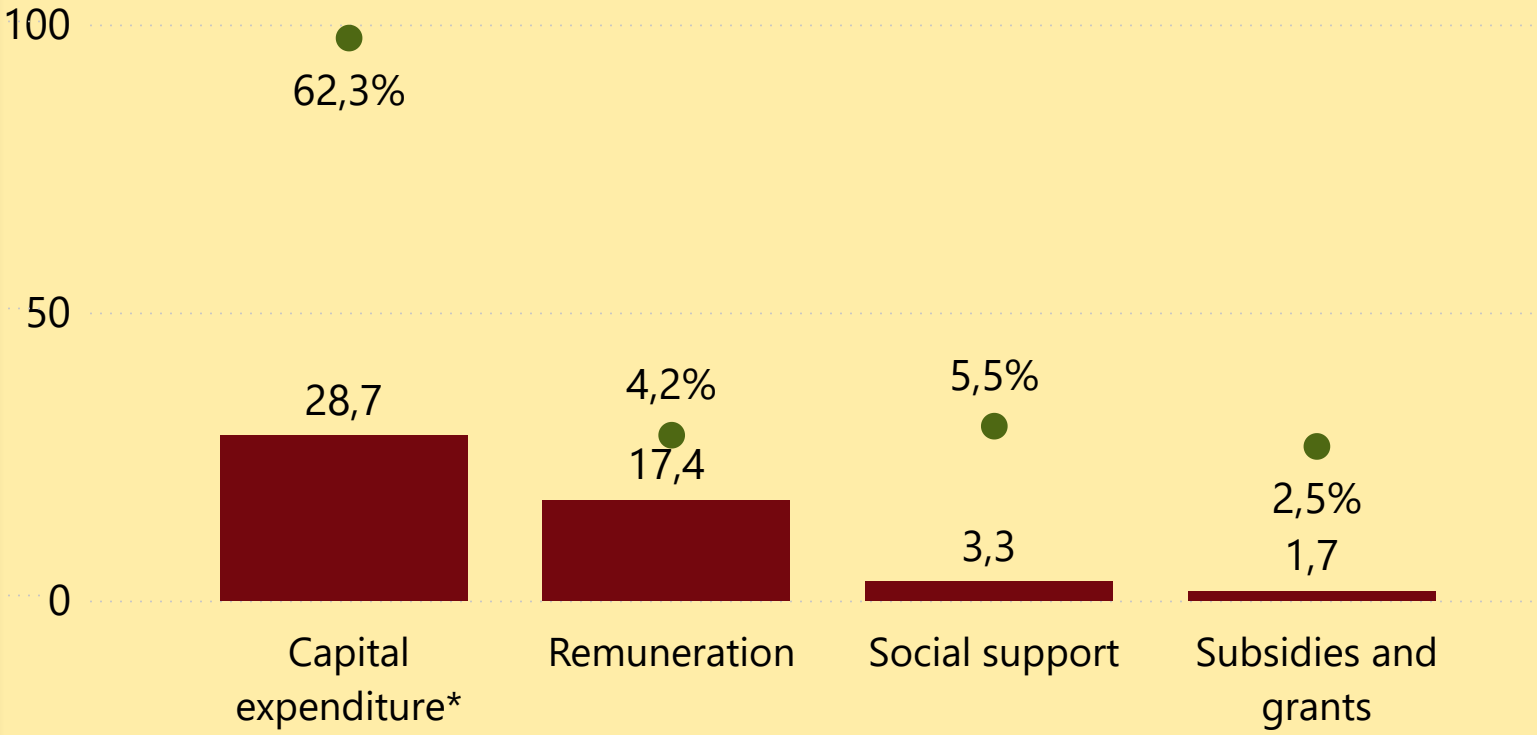
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

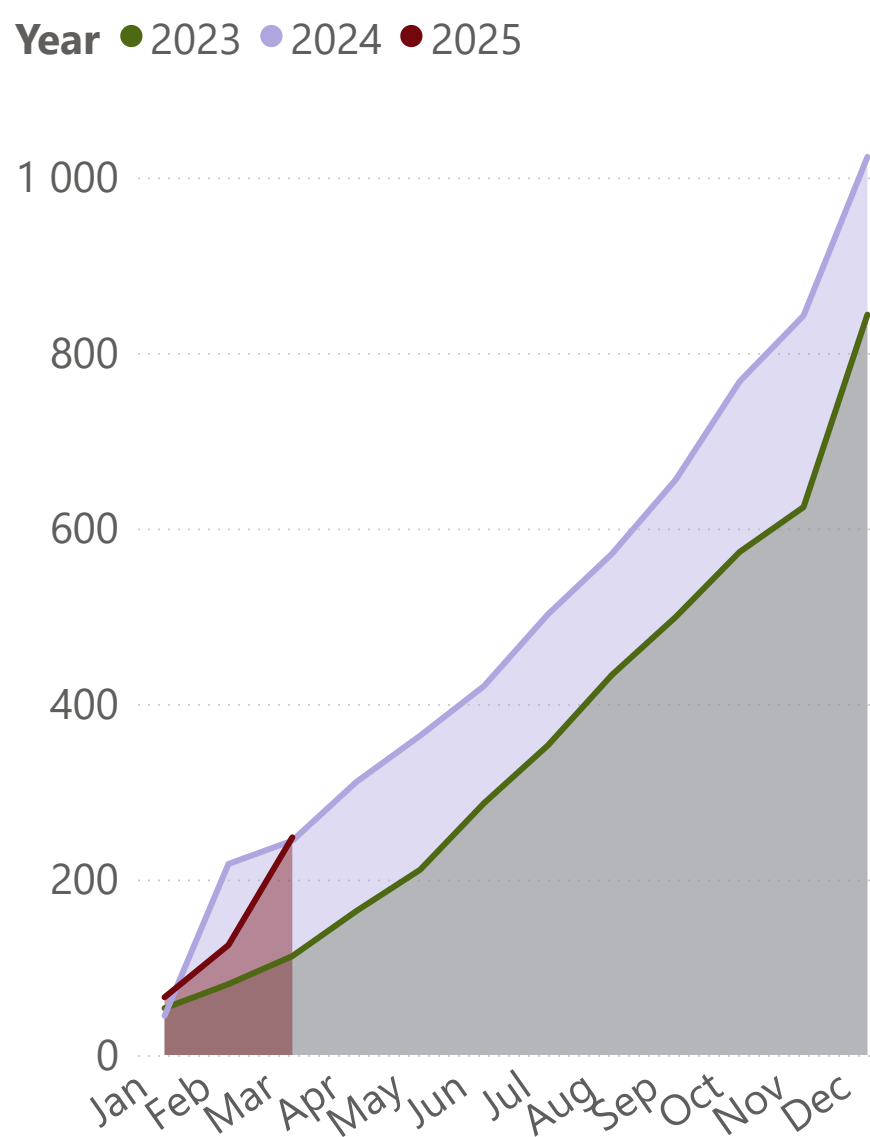
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	986,2	113,0	12,9%
Expenditure	852,0	46,6	5,8%
Balance	134,2	66,4	

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

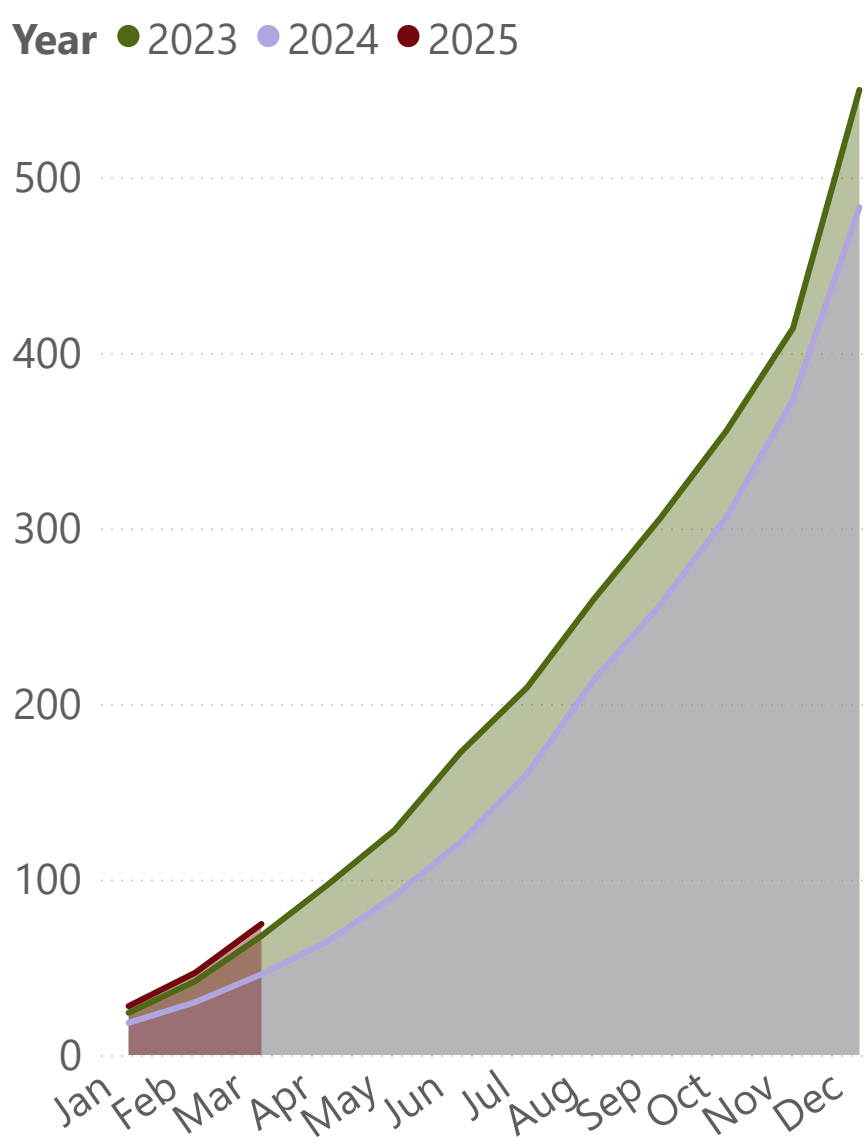


CAPITAL EXPENDITURE

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

426 756
(+0.2% YoY)
1stQ 2025

Unemployment benefit recipients

34 053
(+0.4% YoY)
1stQ 2025

Old-age pensions average amount

605€
(+11.7% YoY)
1stQ 2025

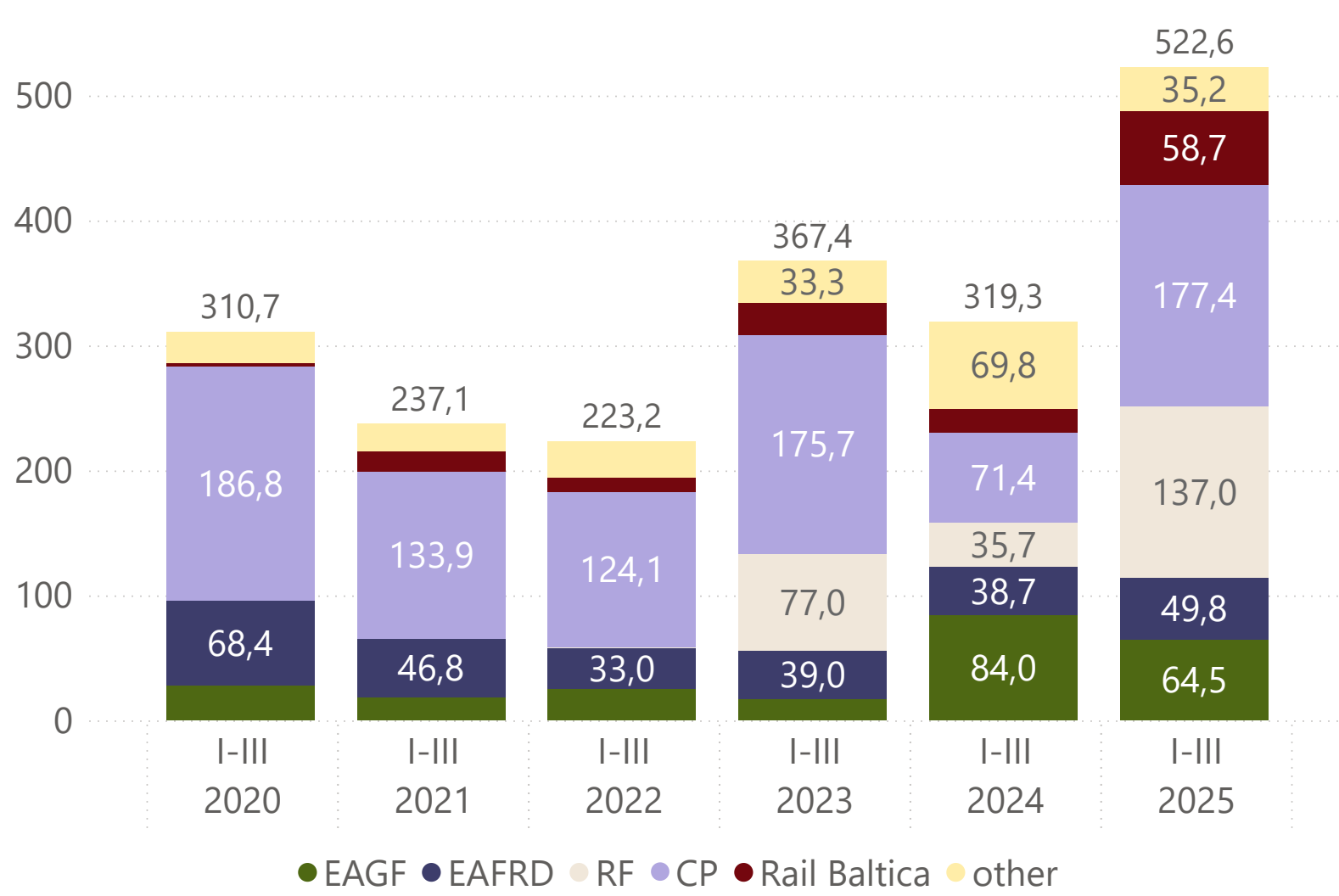
Unemployment benefit average amount

493€
(+7.2% YoY)
1stQ 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; EAERD - European Agricultural Fund for Rural Development

Source: State Treasury