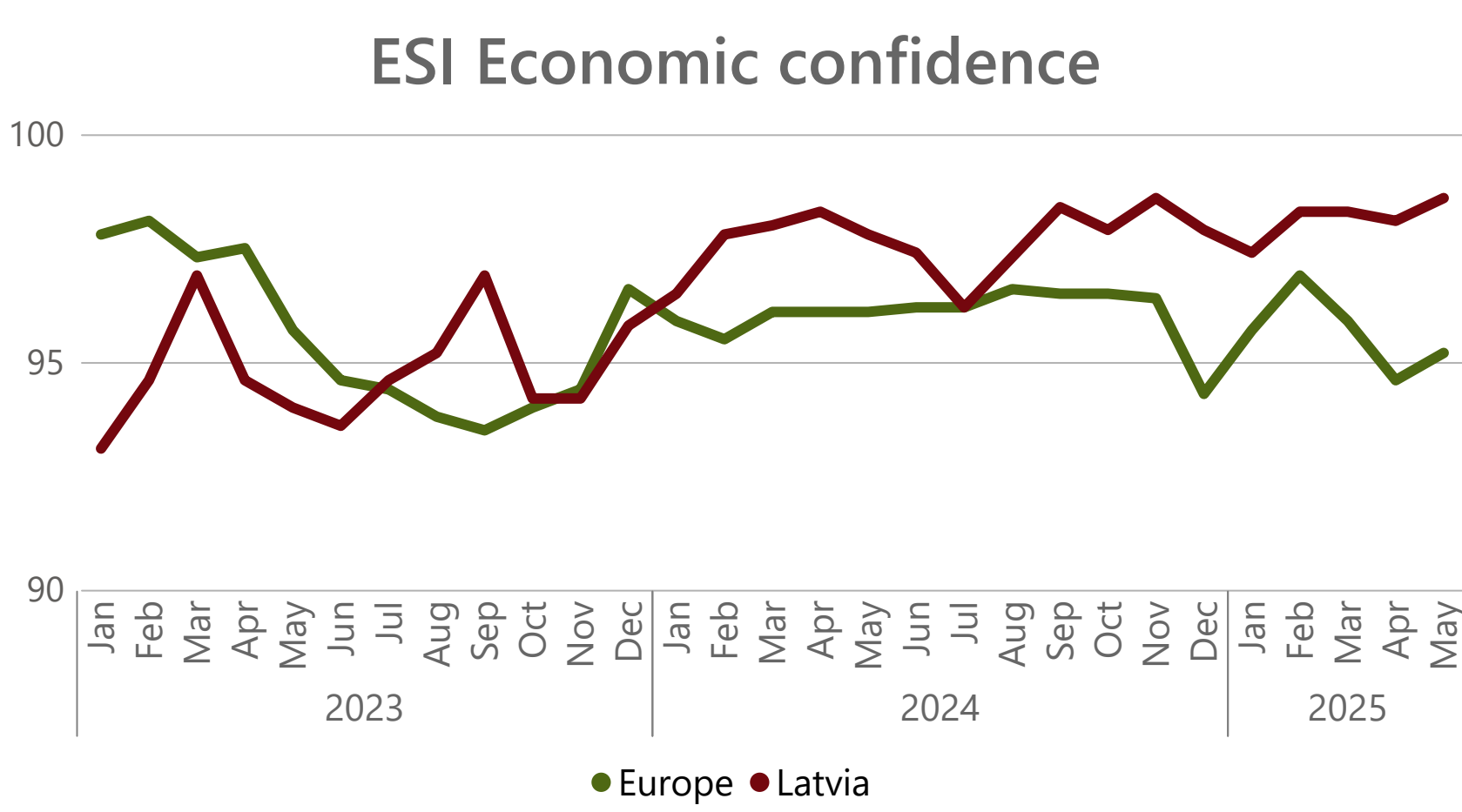
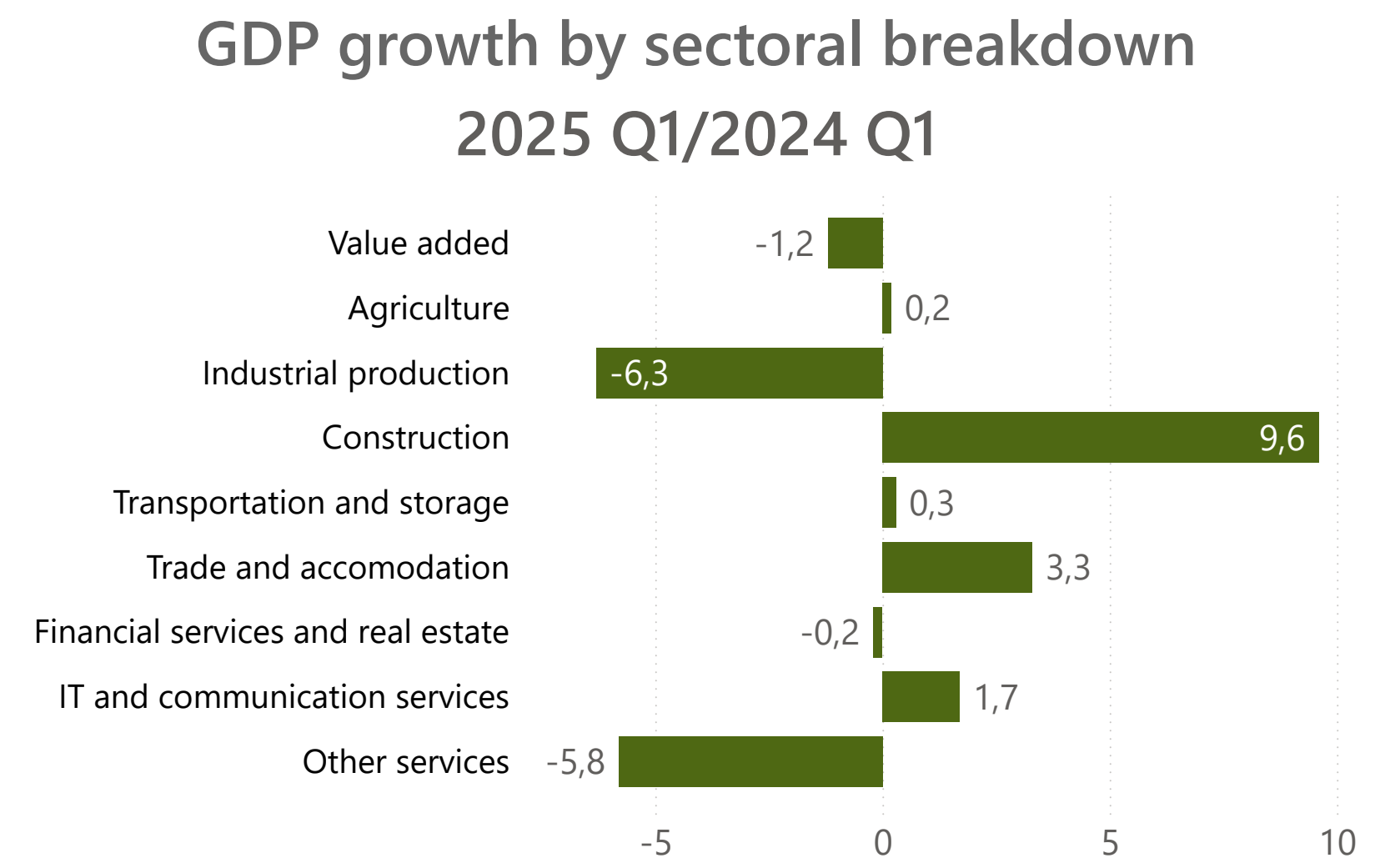
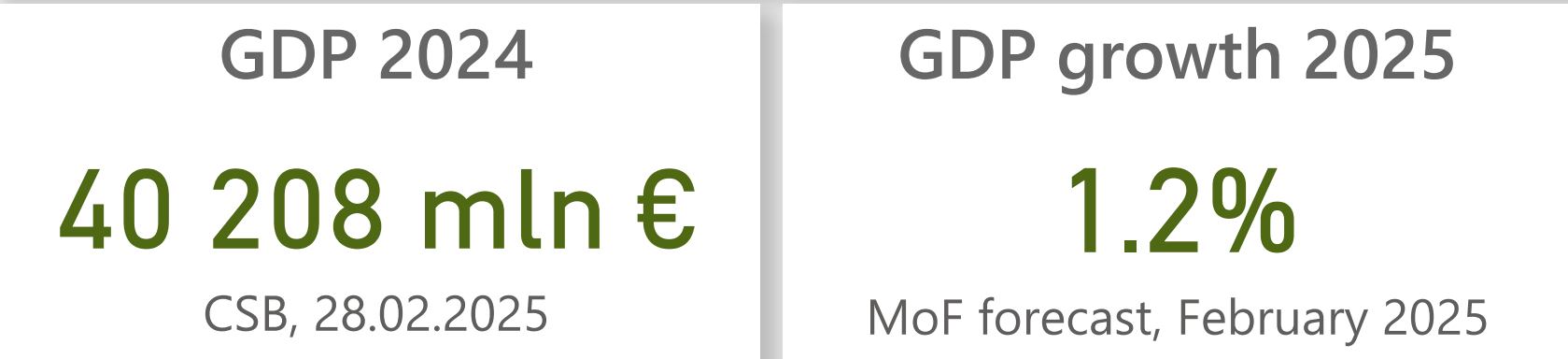


MACROECONOMIC AND BUDGETARY REVIEW 2025

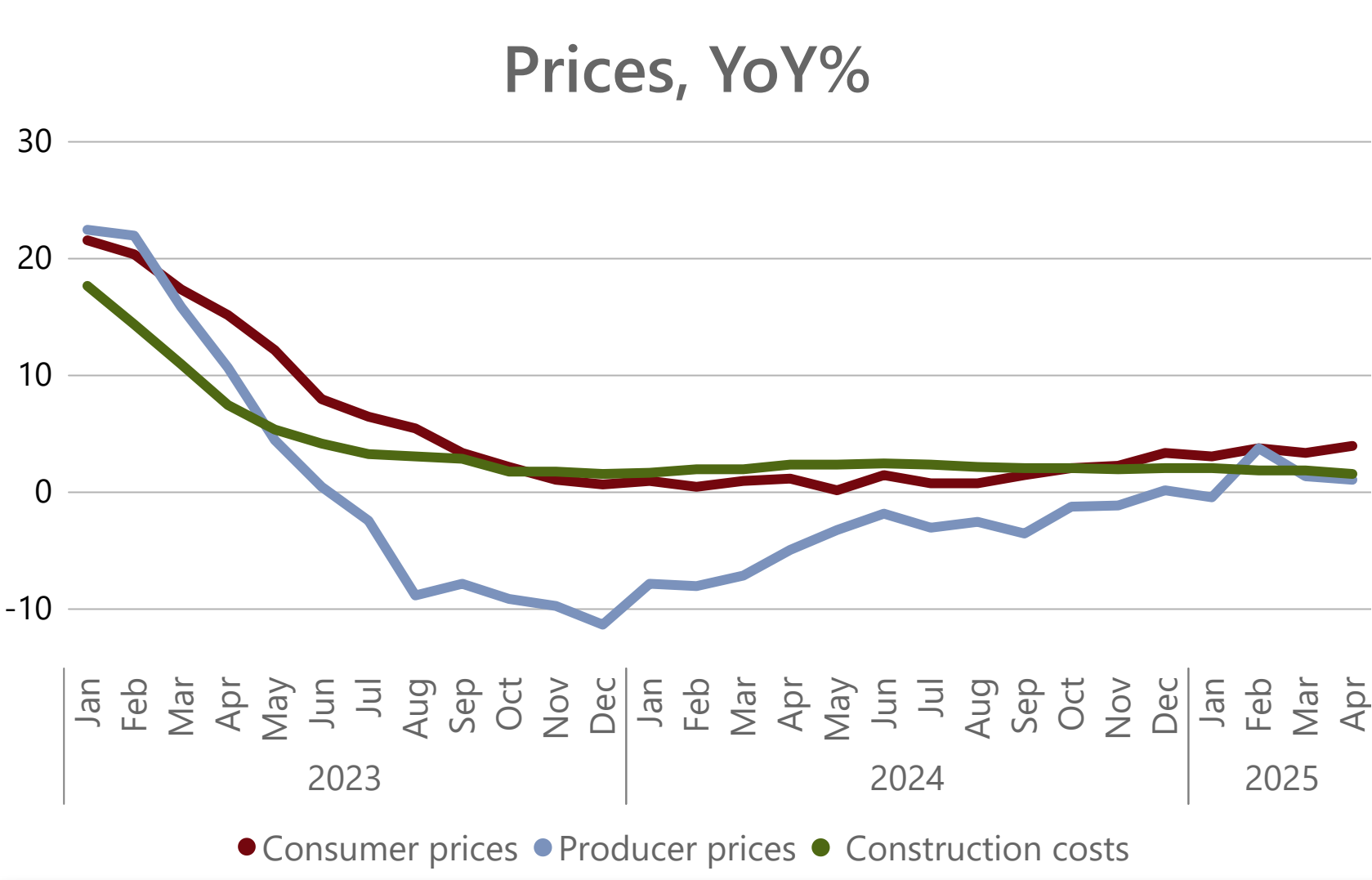
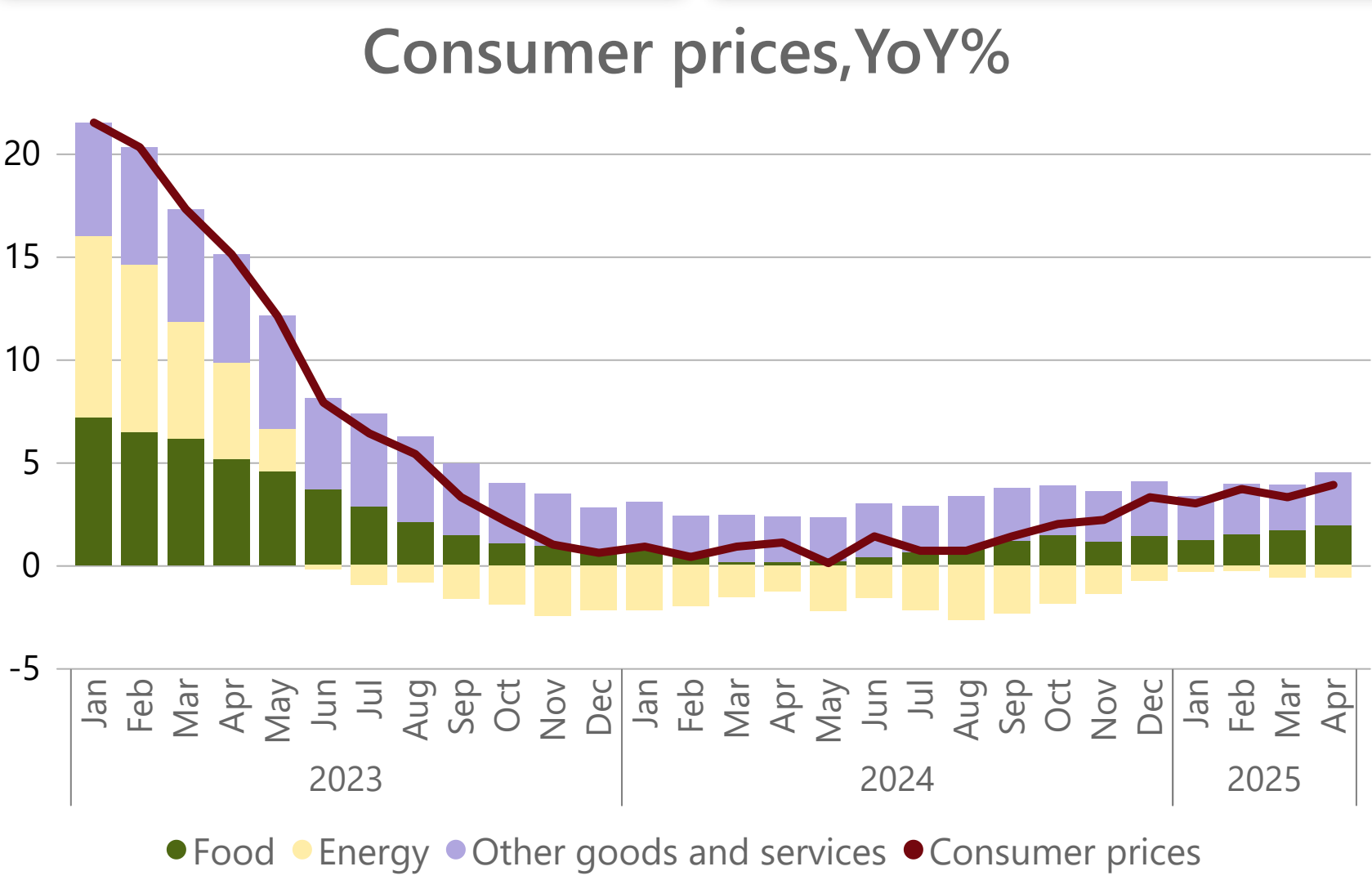
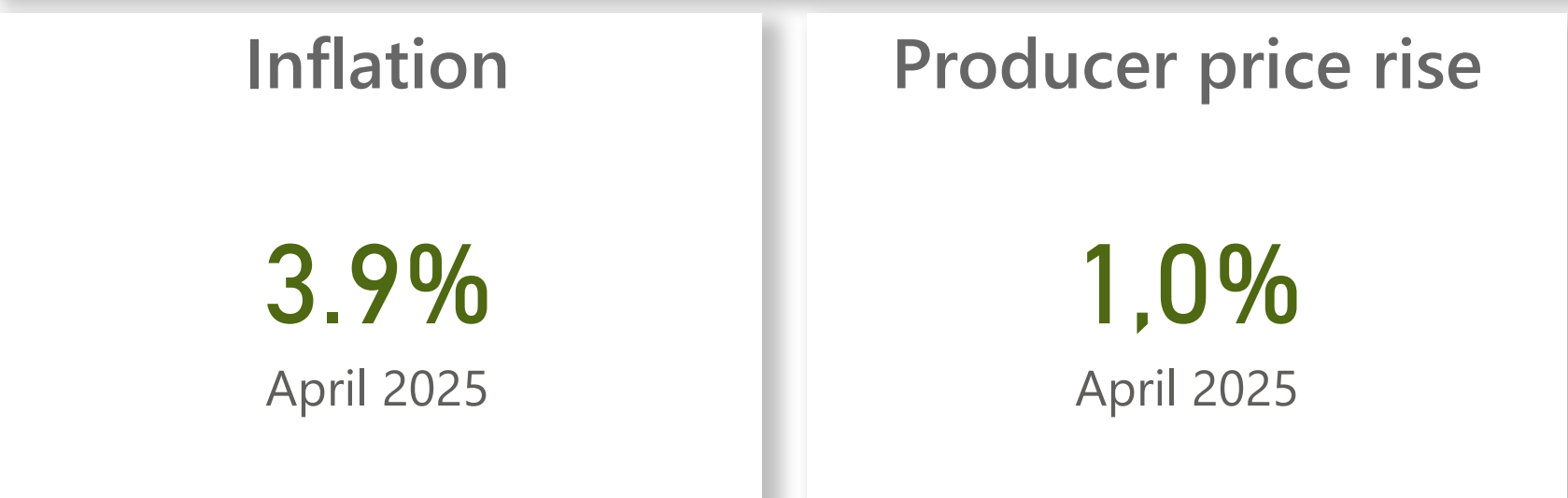
No 4

GROSS DOMESTIC PRODUCT (GDP)



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

INFLATION



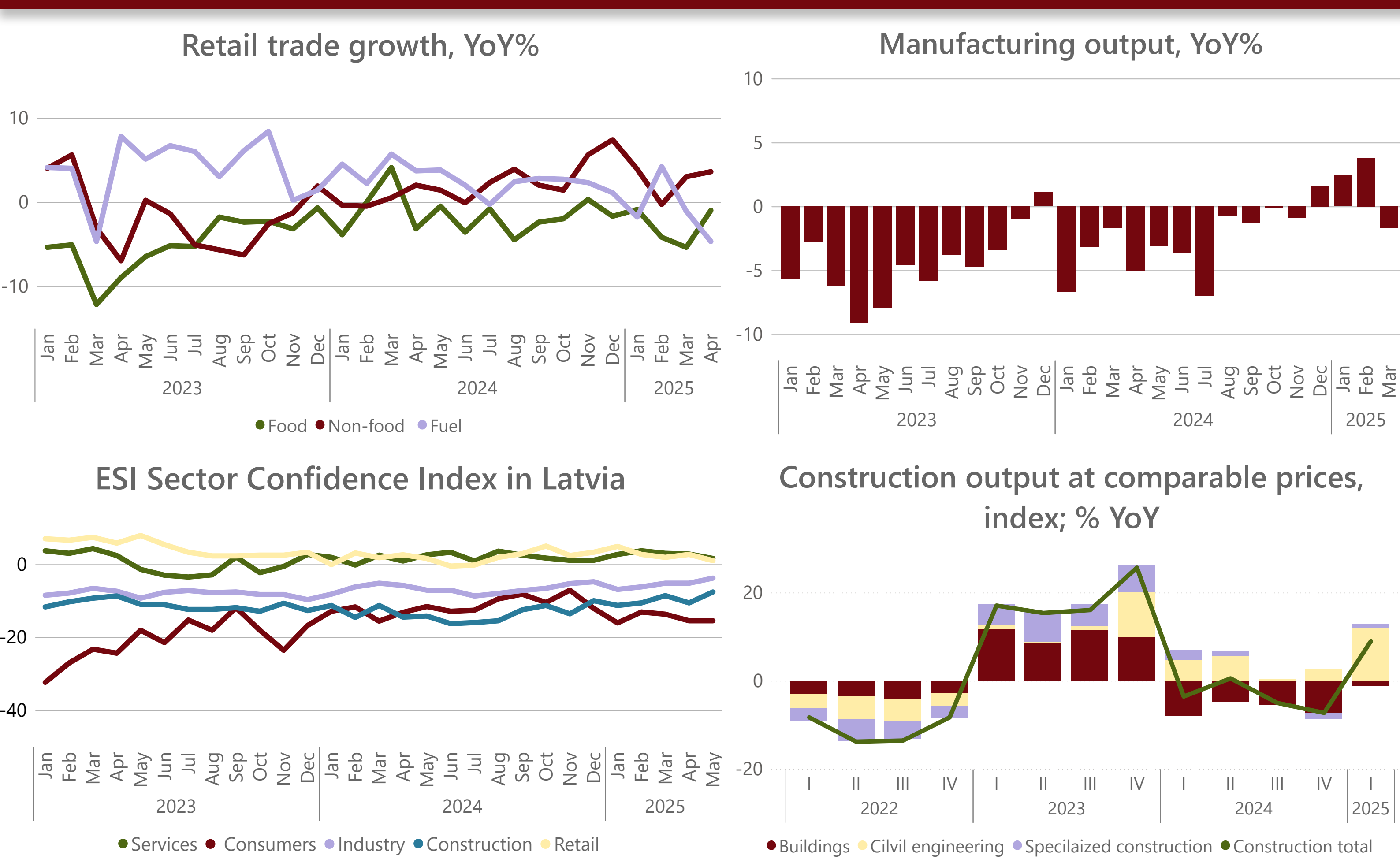
Source: CSB

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

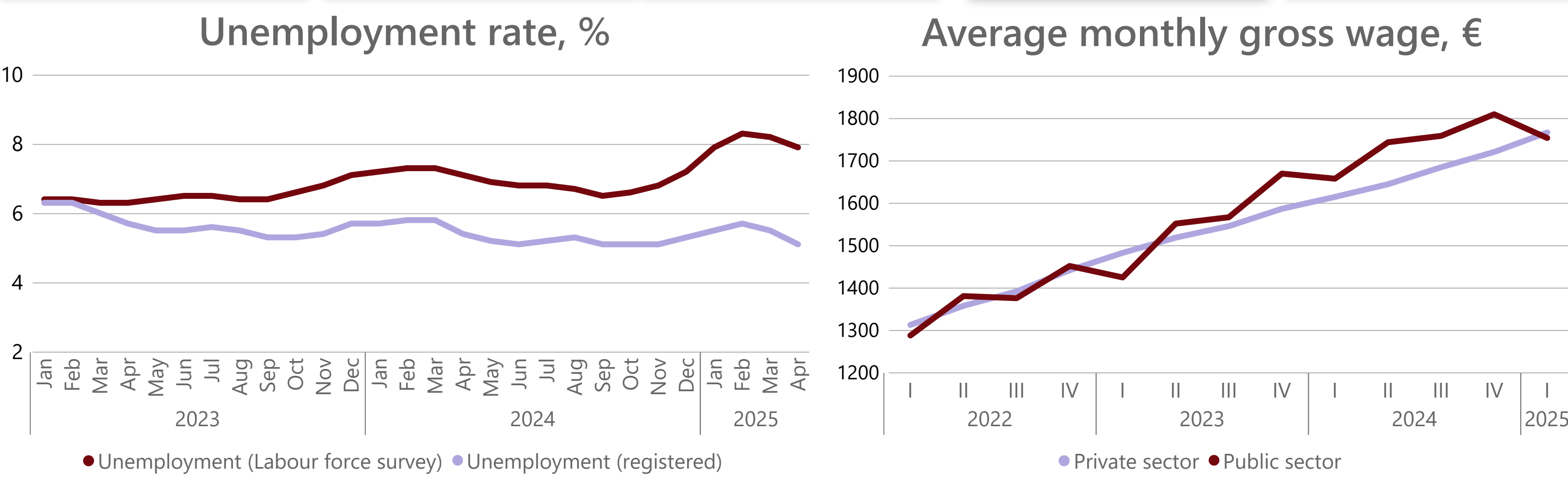
Source: CSB (28.02.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2025)

INDUSTRIES



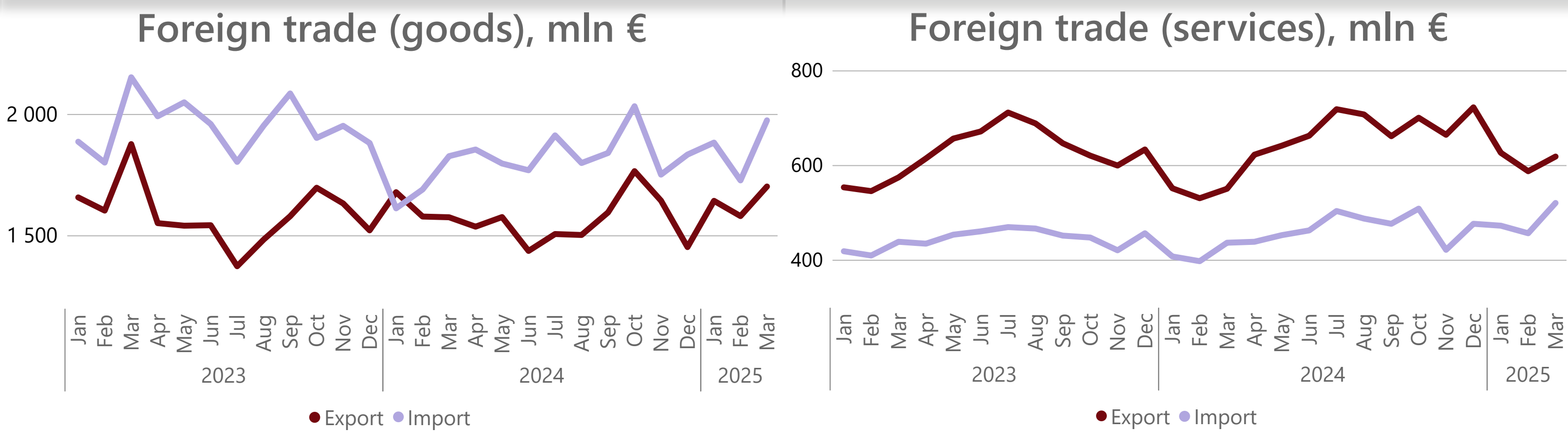
Source: CSB, European Commission

UNEMPLOYMENT



Source: CSB, State Employment Agency

FOREIGN TRADE



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-3.1% of GDP

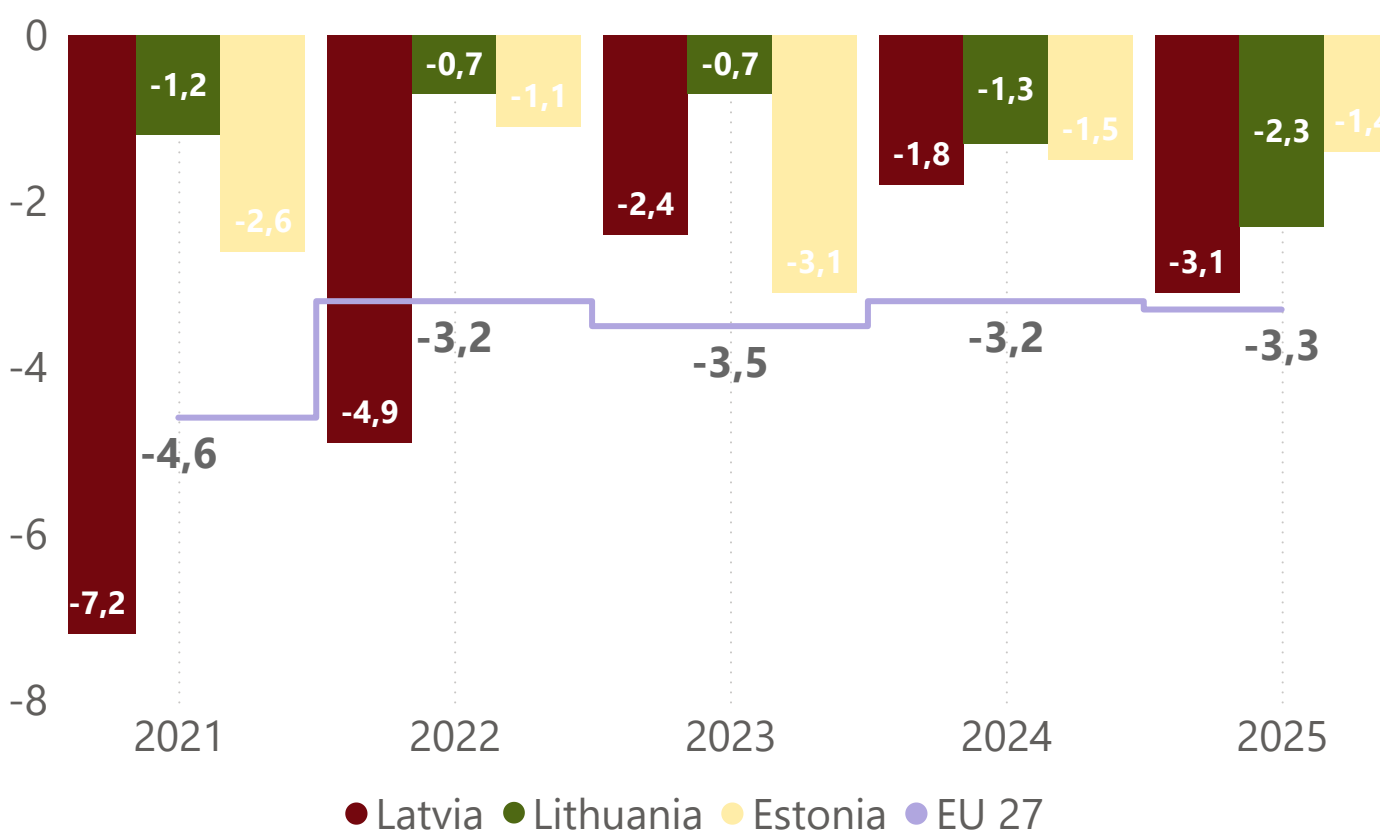
Forecast of MoF, March 2025

General government debt 2025

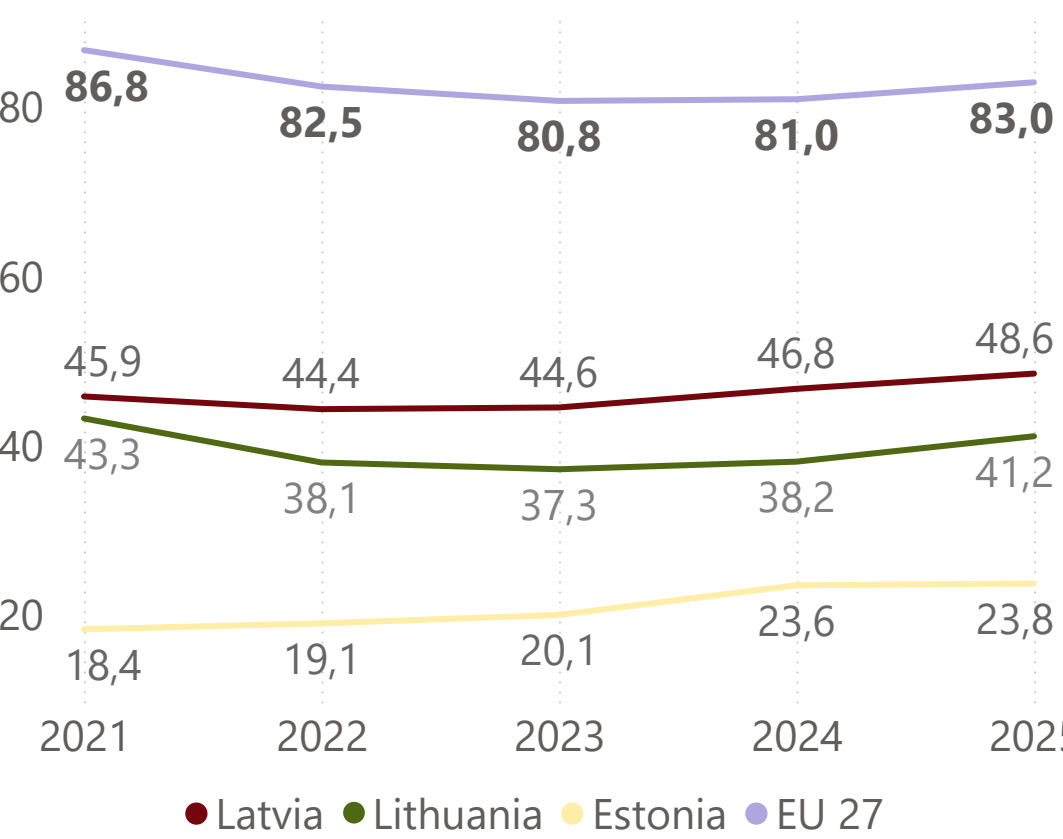
49.0% of GDP

Forecast of Treasury, March 2025

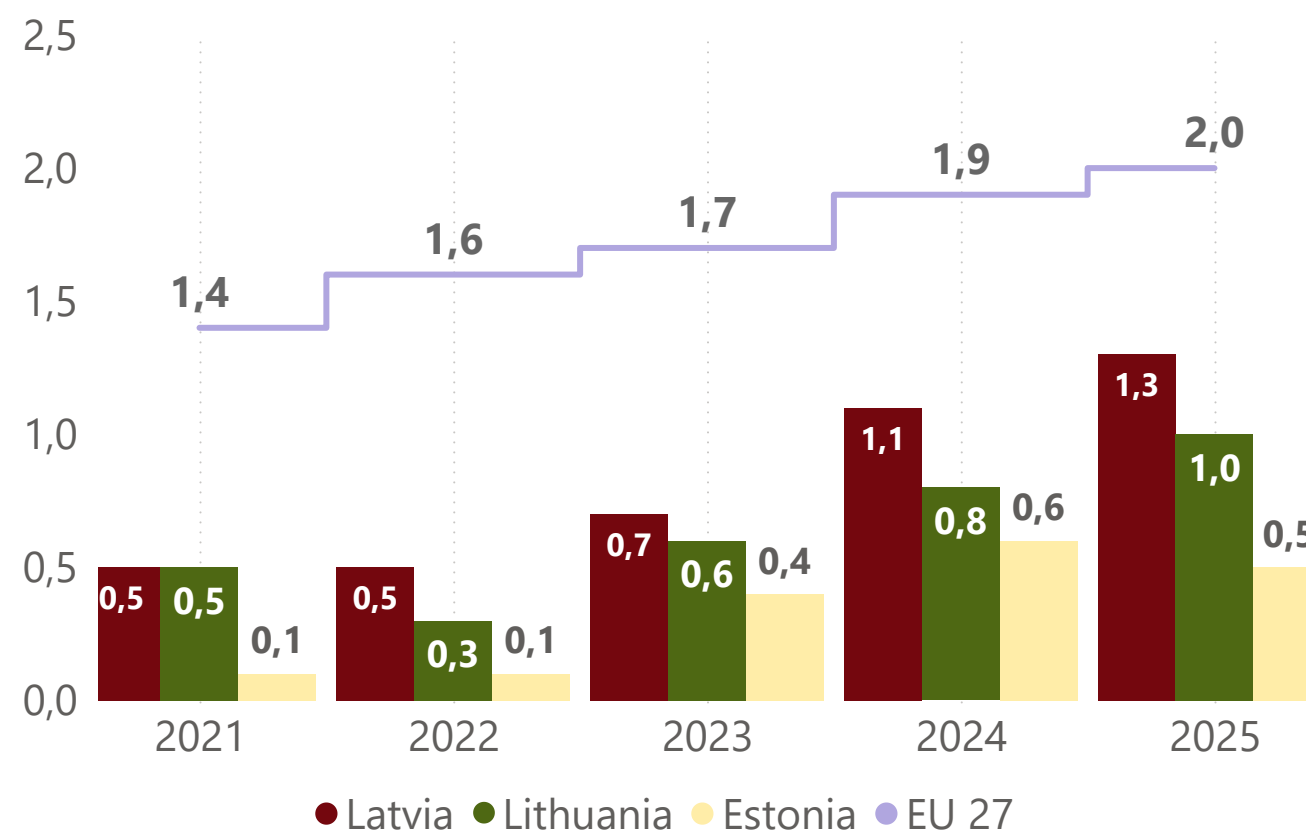
General government budget balance, % of GDP



General government debt, % of GDP



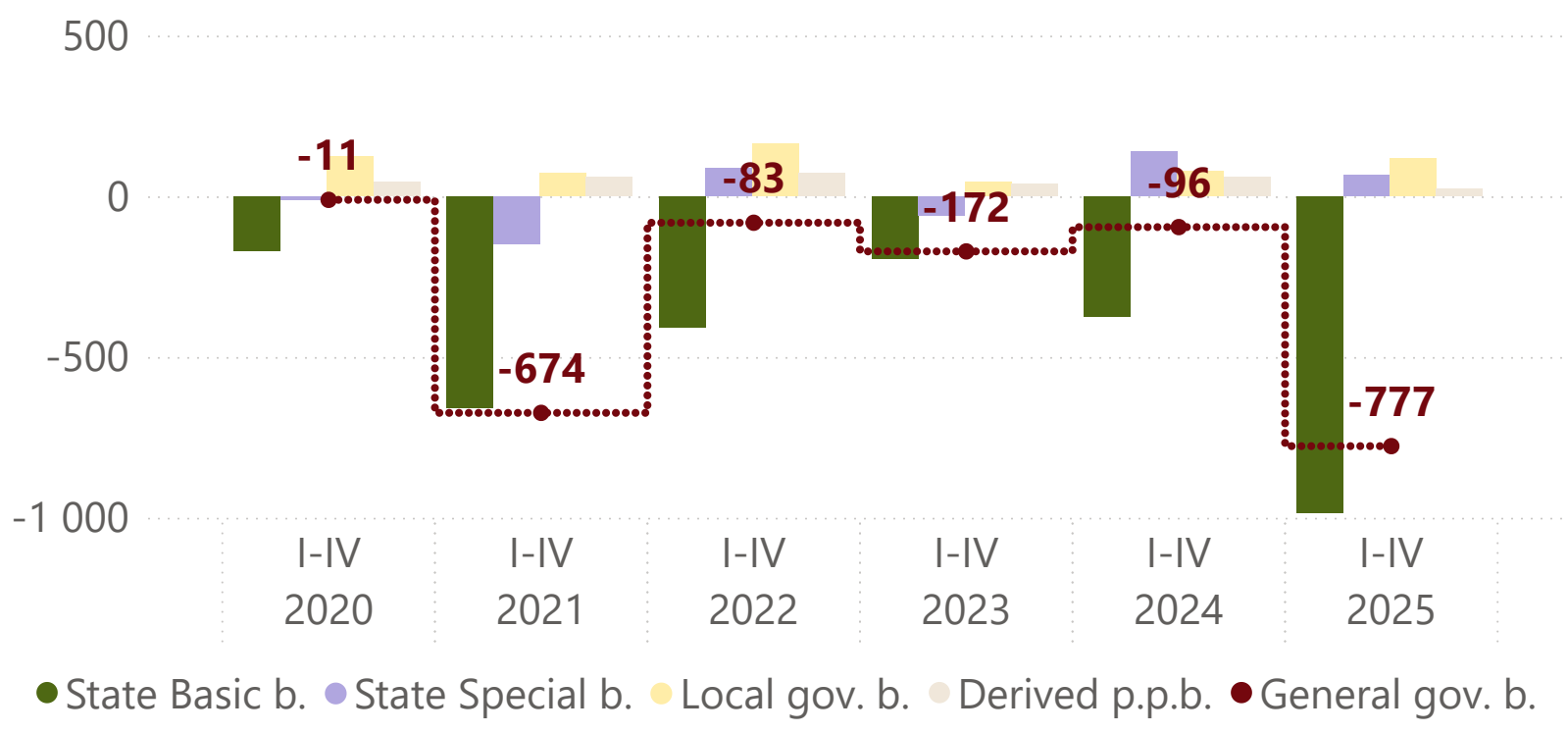
Interest expenditure (D.41), % of GDP



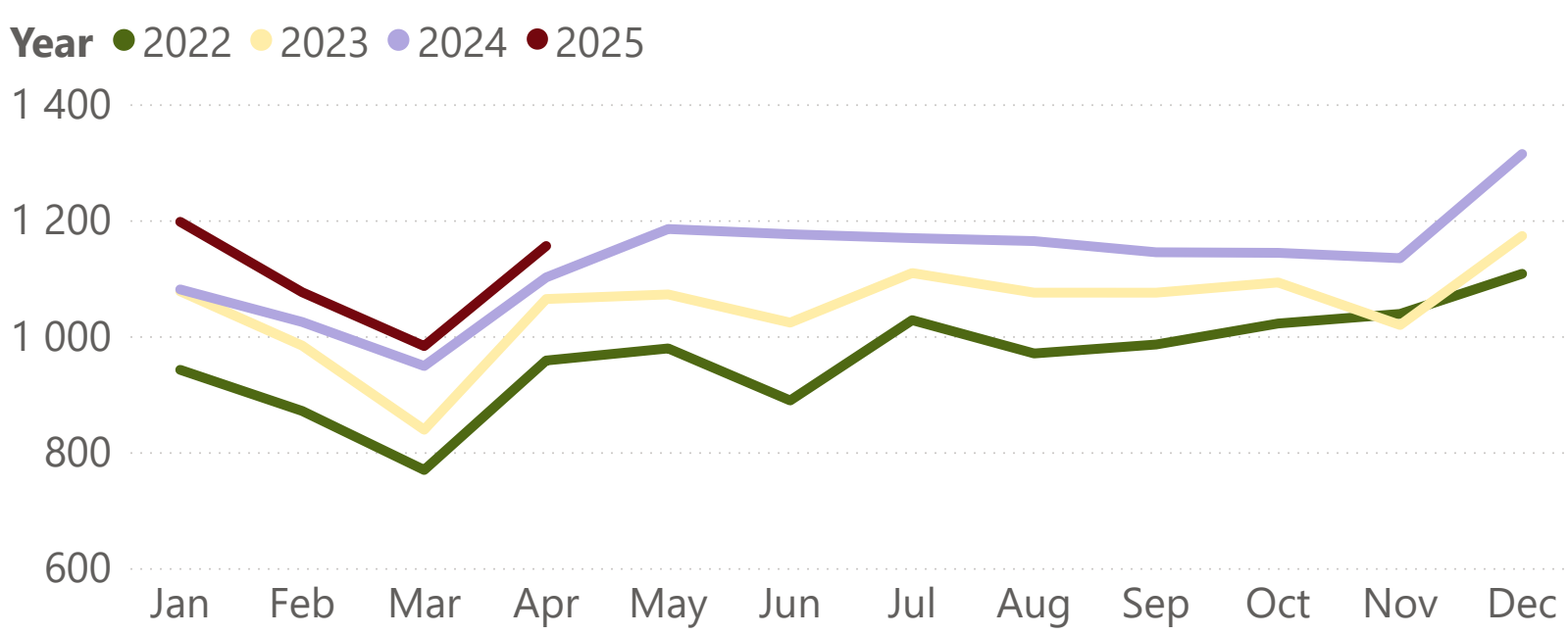
Source: Eurostat (2021-2024), AMECO forecast spring 2025

GENERAL GOVERNMENT BUDGET JANUARY-APRIL 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-April 2025, including revenue in the single tax account (-127.5 mln €) and excluding SSC at the 2nd pension pillar (289.2 mln €).

General government budget

	Execution, mln €	YoY, mln €	YoY,%
Revenue	5 450,6	-61,0	-1,1%
Expenditure	6 228,1	620,4	11,1%
Balance	-777,5	-681,4	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY,%
SSC	1 545,3	57,1	3,8%
VAT	1 237,5	77,8	6,7%
PIT	816,6	23,8	3,0%
EXCISE	390,7	17,4	4,7%
CIT	298,0	80,8	37,2%

General government budget

Revenue

Tax revenue	4 410,7	256,5	6,2%
Non tax revenue	239,0	-41,6	-14,8%
Self-earned revenue	193,8	-4,2	-2,1%
Foreign financial assistance	606,4	-271,7	-30,9%

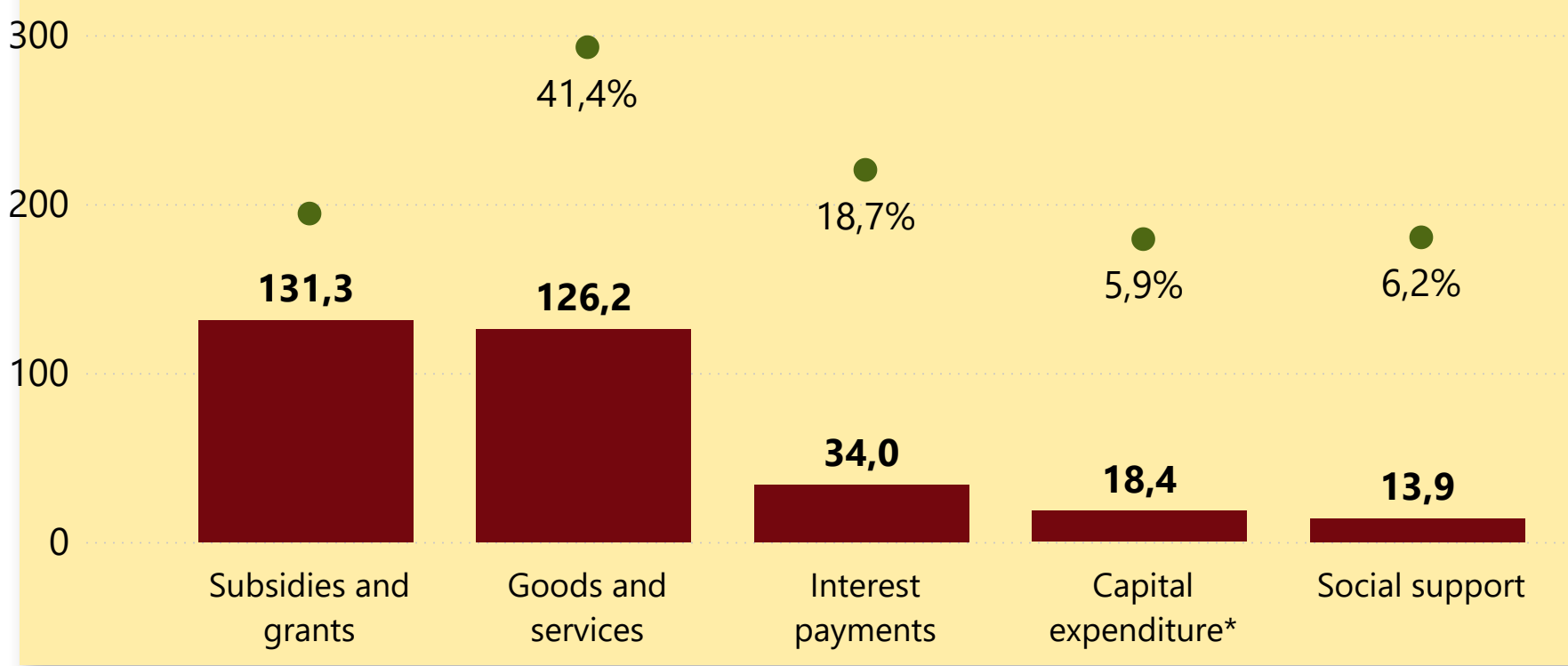
Expenditure

Remuneration	1 285,3	85,4	7,1%
Goods and services	743,9	131,3	21,4%
Interest payments	203,1	9,9	5,1%
Subsidies and grants	1 457,2	132,4	10,0%
Social support	1 920,6	186,5	10,8%
Payments to EU budget	138,3	12,1	9,6%
Capital expenditure	455,6	67,9	17,5%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 018,0	-180,0	-5,6%
Expenditure	4 003,2	431,5	12,1%
Balance	-985,2	-611,5	

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



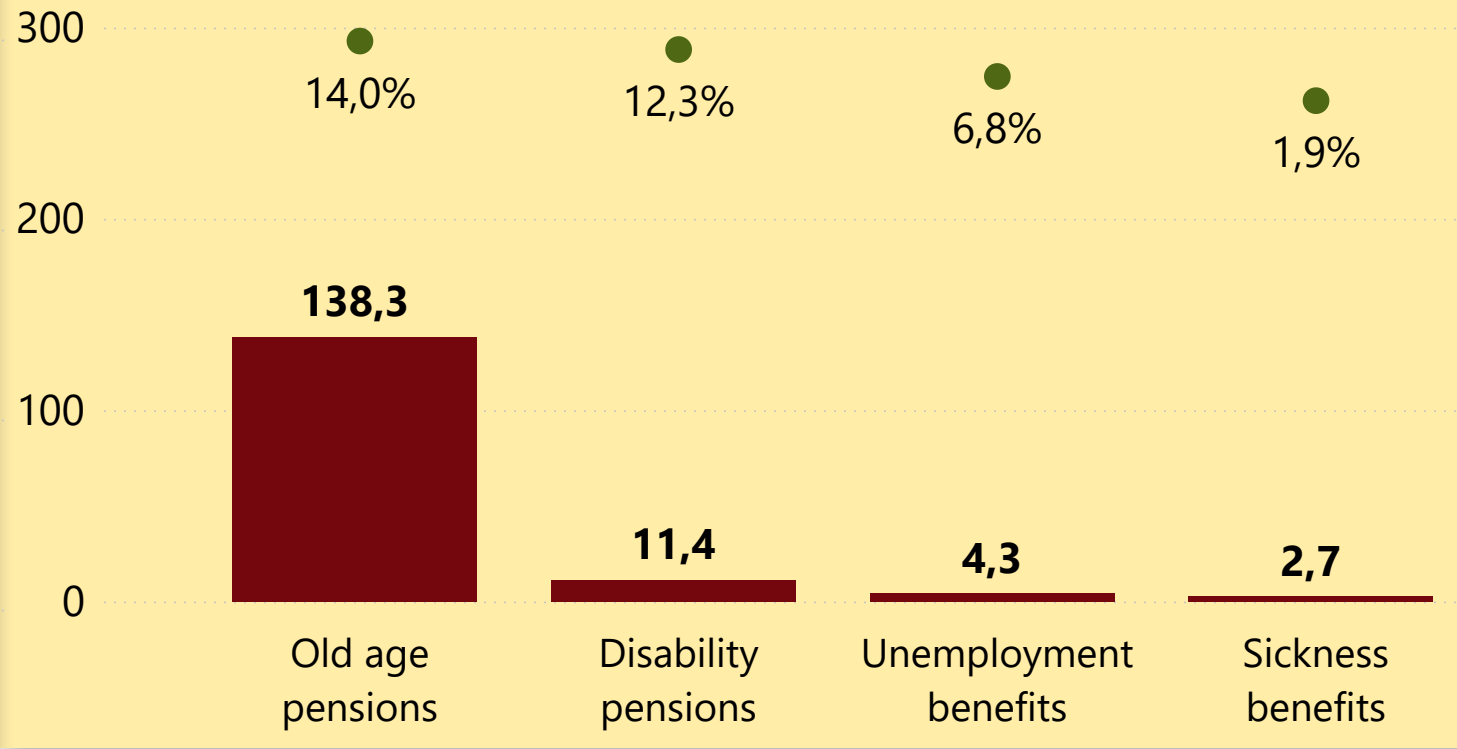
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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	1 659,8	92,2	5,9%
Expenditure	1 594,6	166,6	11,7%
Balance	65,2	-74,3	

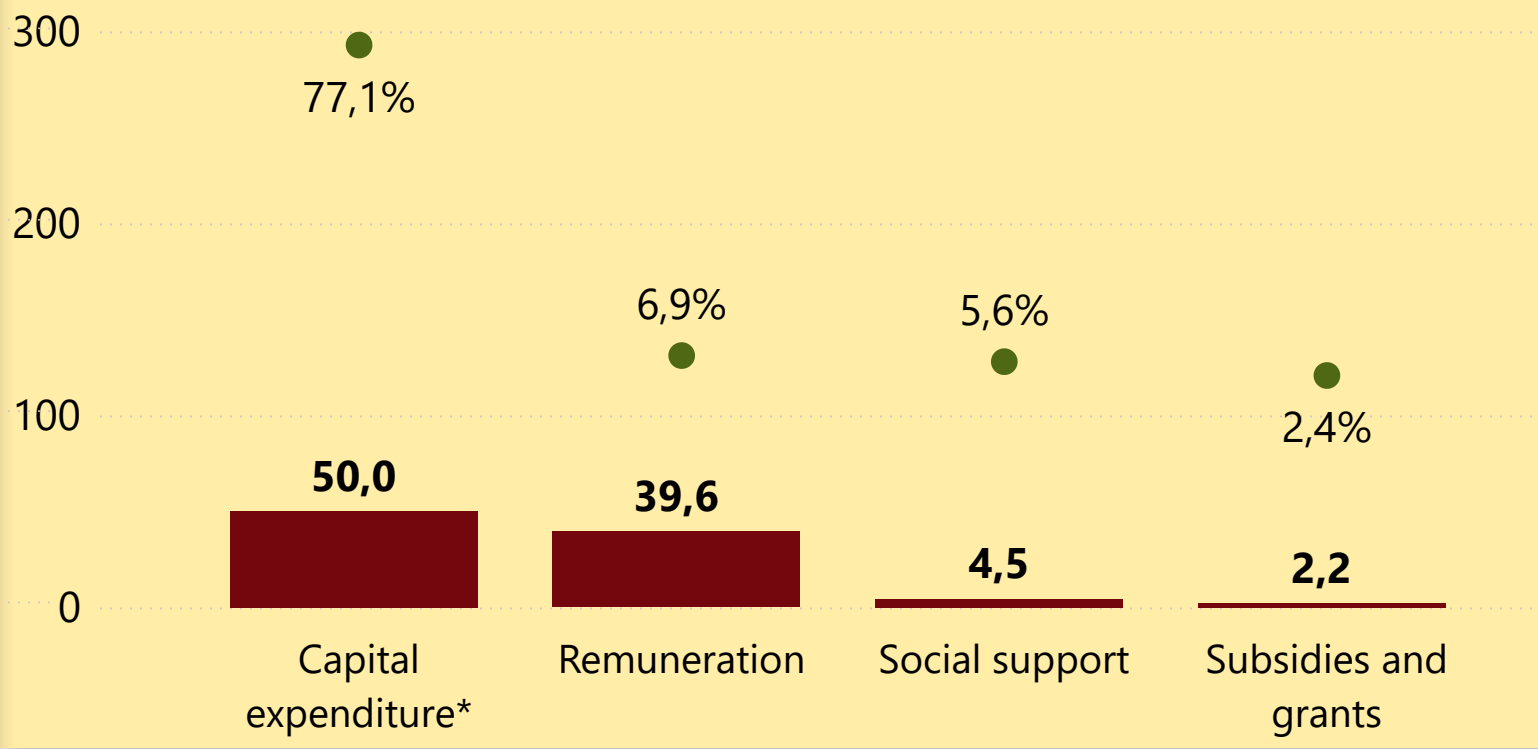
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

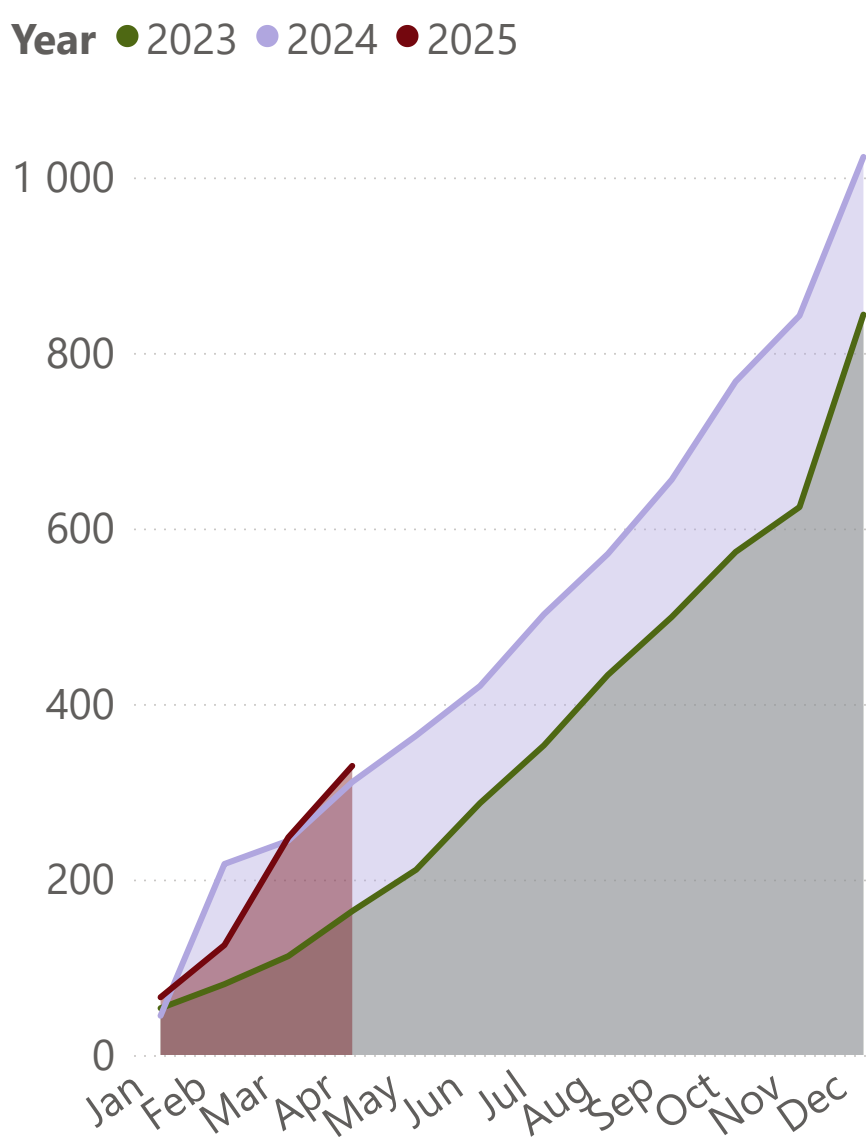
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 323,3	129,2	10,8%
Expenditure	1 204,7	89,8	8,1%
Balance	118,6	39,4	

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

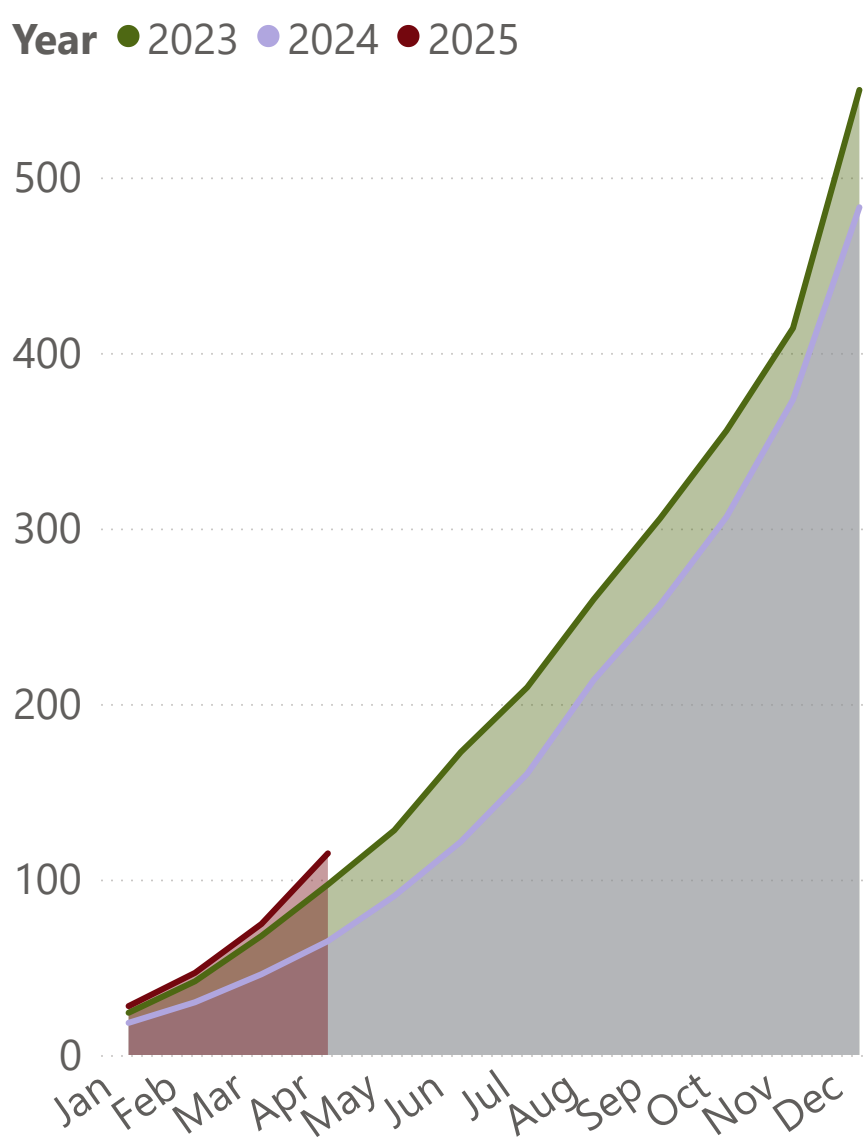


CAPITAL EXPENDITURE

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

423 285

(+0.2% YoY)

April 2025

Unemployment benefit recipients

33 676

(-2.1% YoY)

April 2025

Old-age pensions average amount

612€

(+11.9% YoY)

April 2025

Unemployment benefit average amount

492€

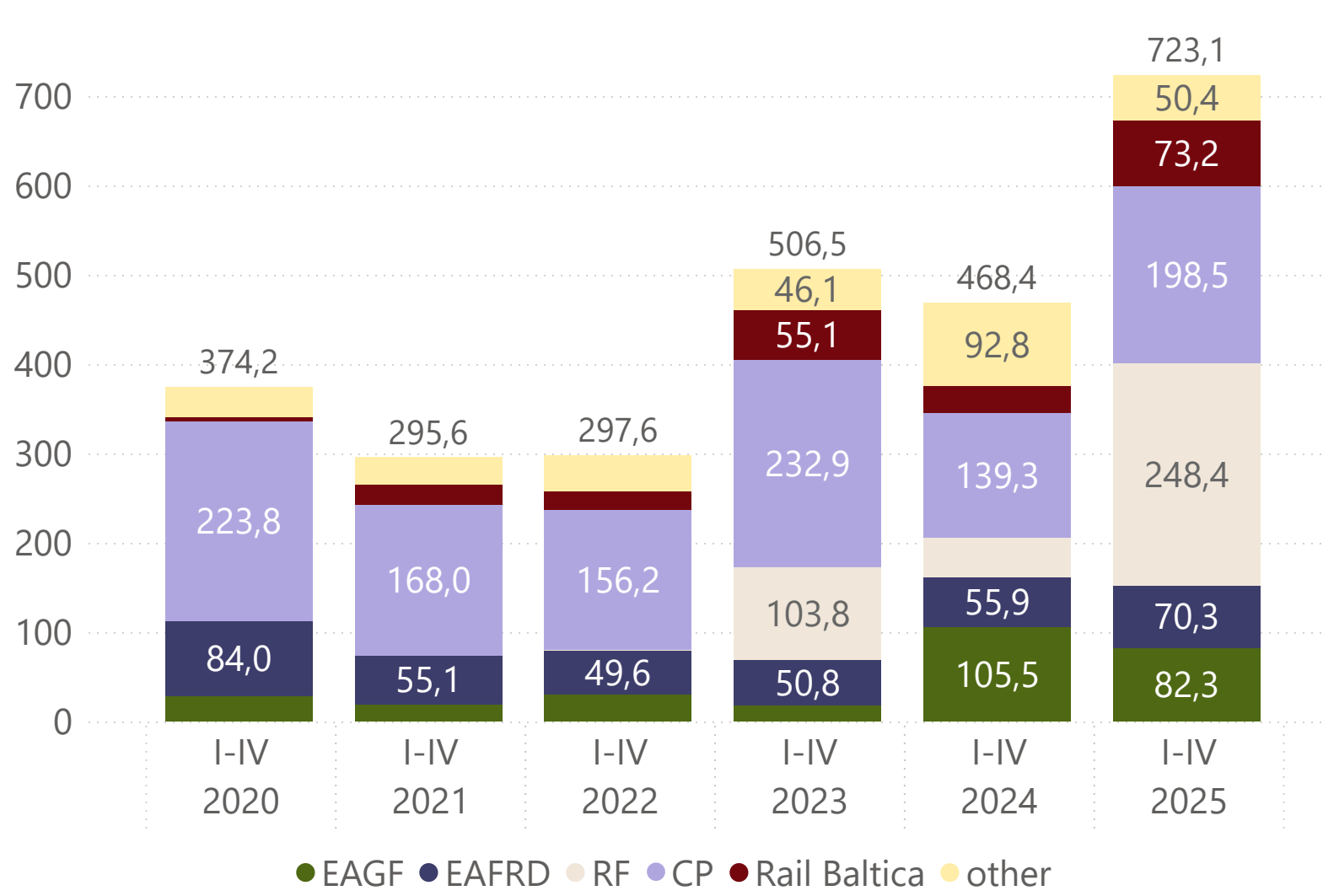
(+7.5% YoY)

April 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