

MACROECONOMIC AND BUDGETARY REVIEW 2025

No 5

GROSS DOMESTIC PRODUCT (GDP)

GDP 2024

40 208 mln €

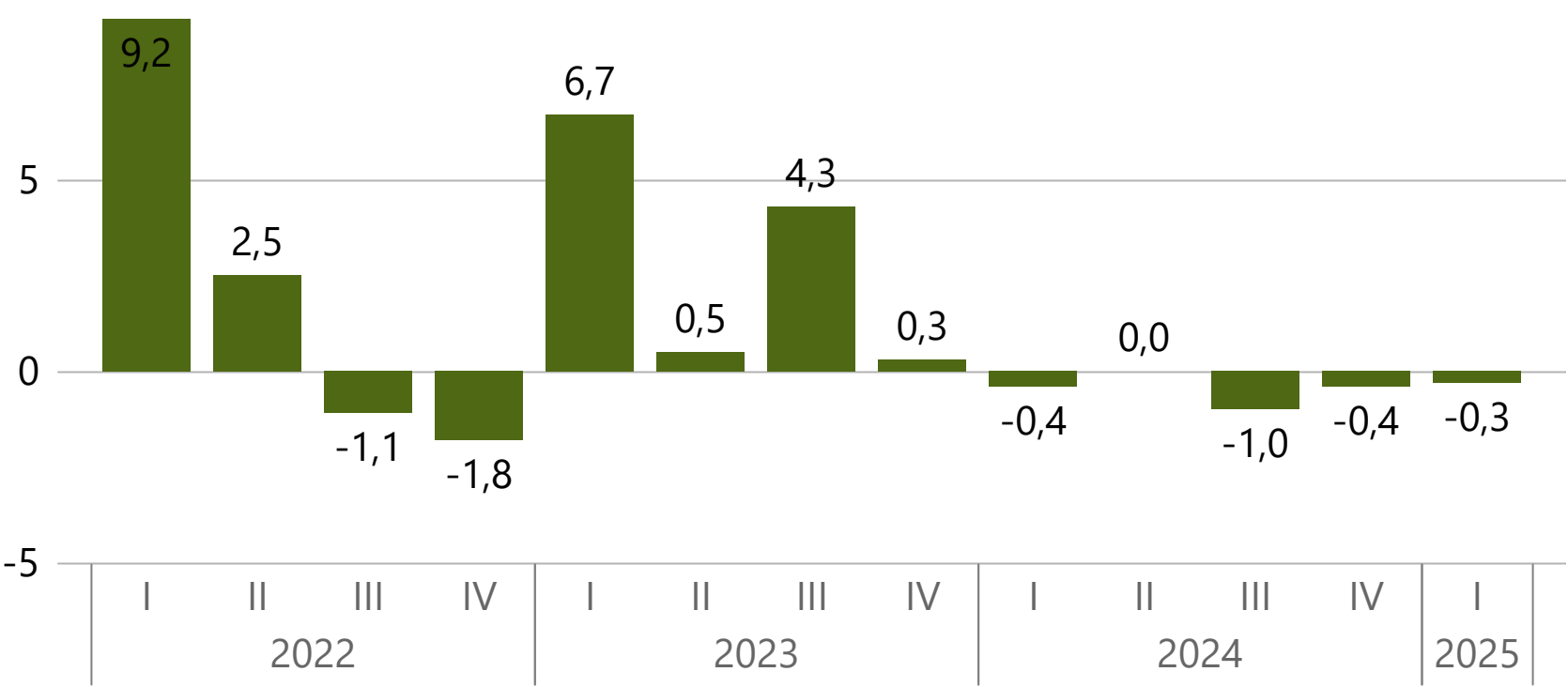
CSB, 16.04.2025

GDP growth 2025

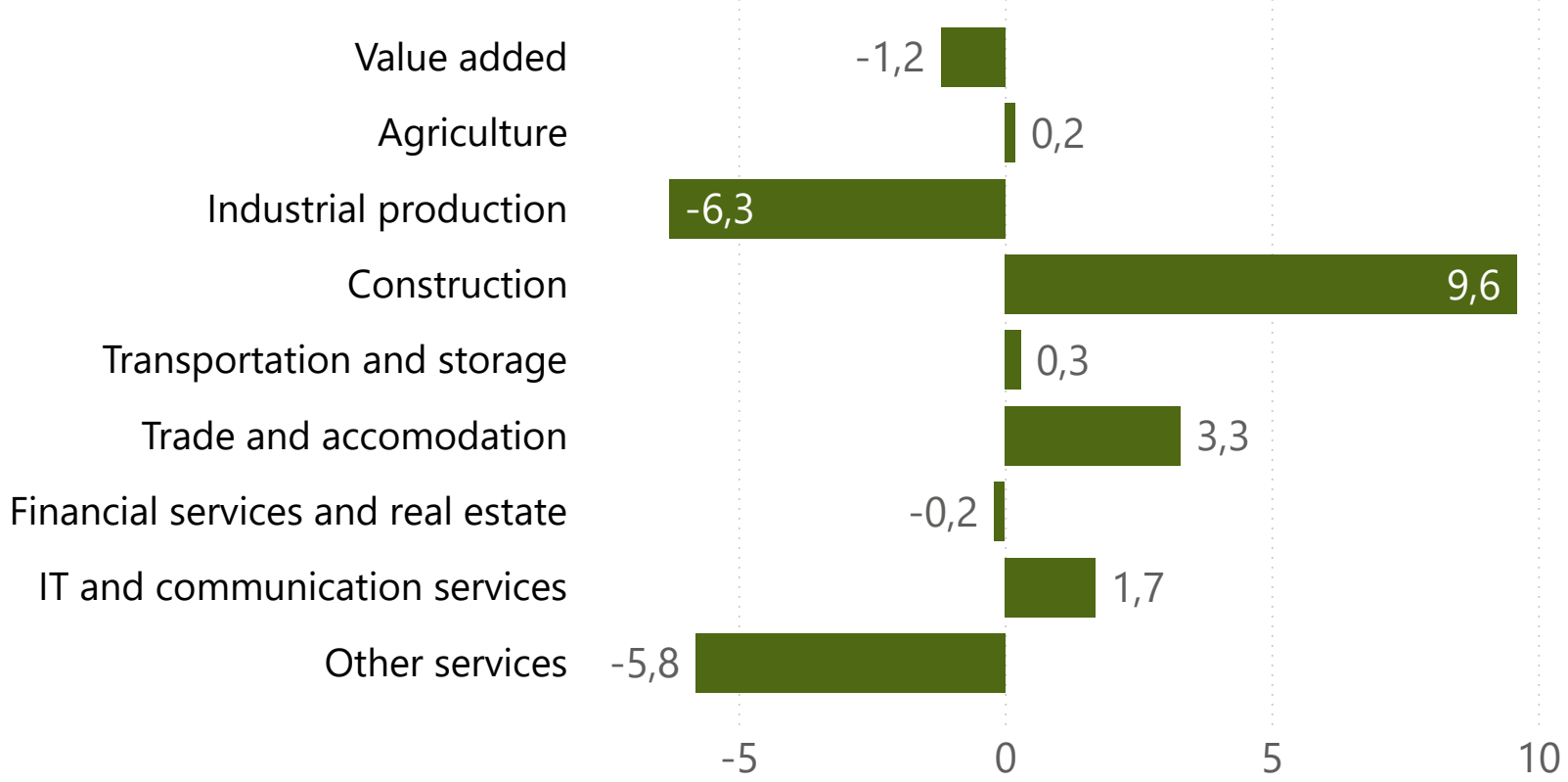
1.1%

MoF forecast, June 2025

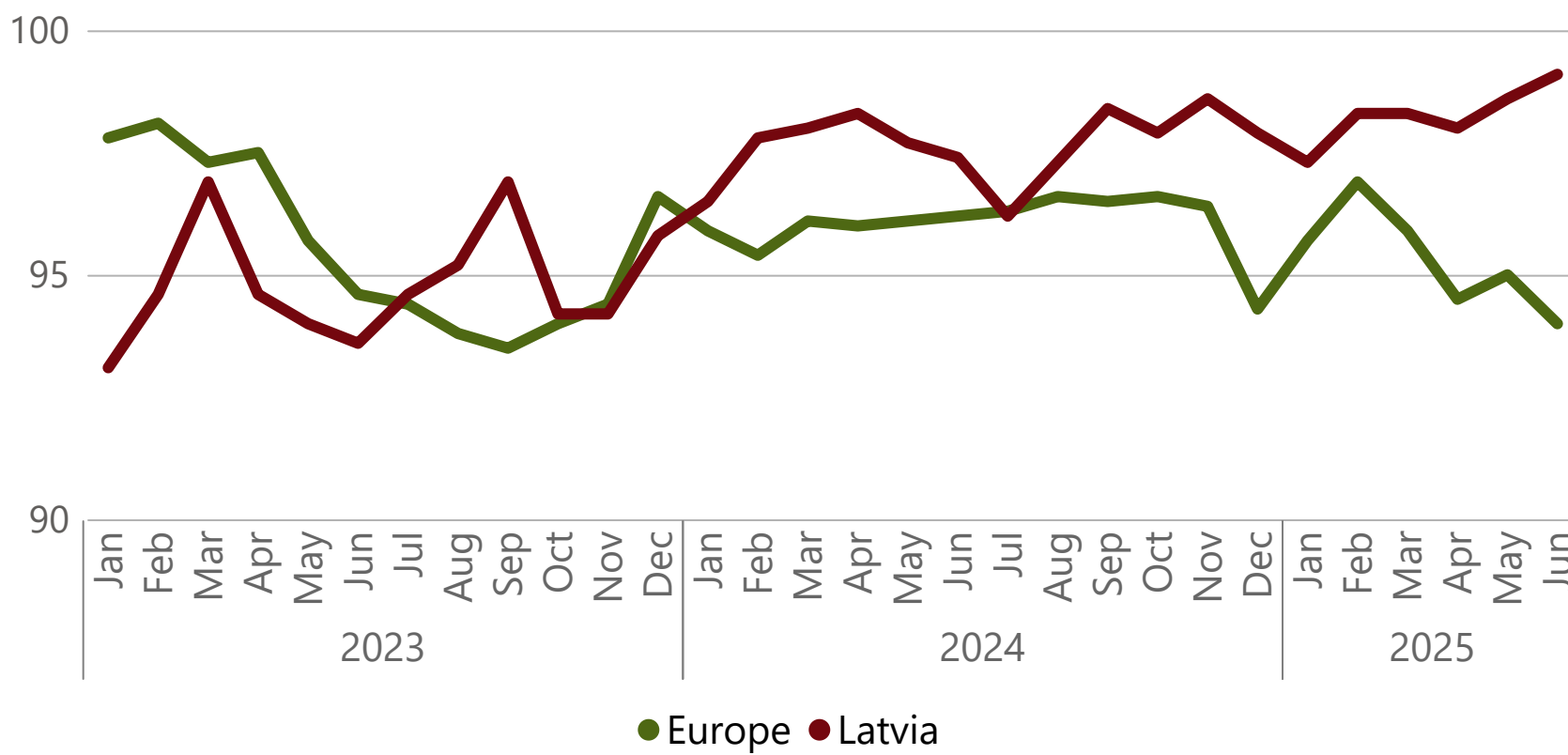
GDP growth, YoY%



GDP growth by sectoral breakdown 2025 Q1/2024 Q1



ESI Economic confidence



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

INFLATION

Inflation

3.6%

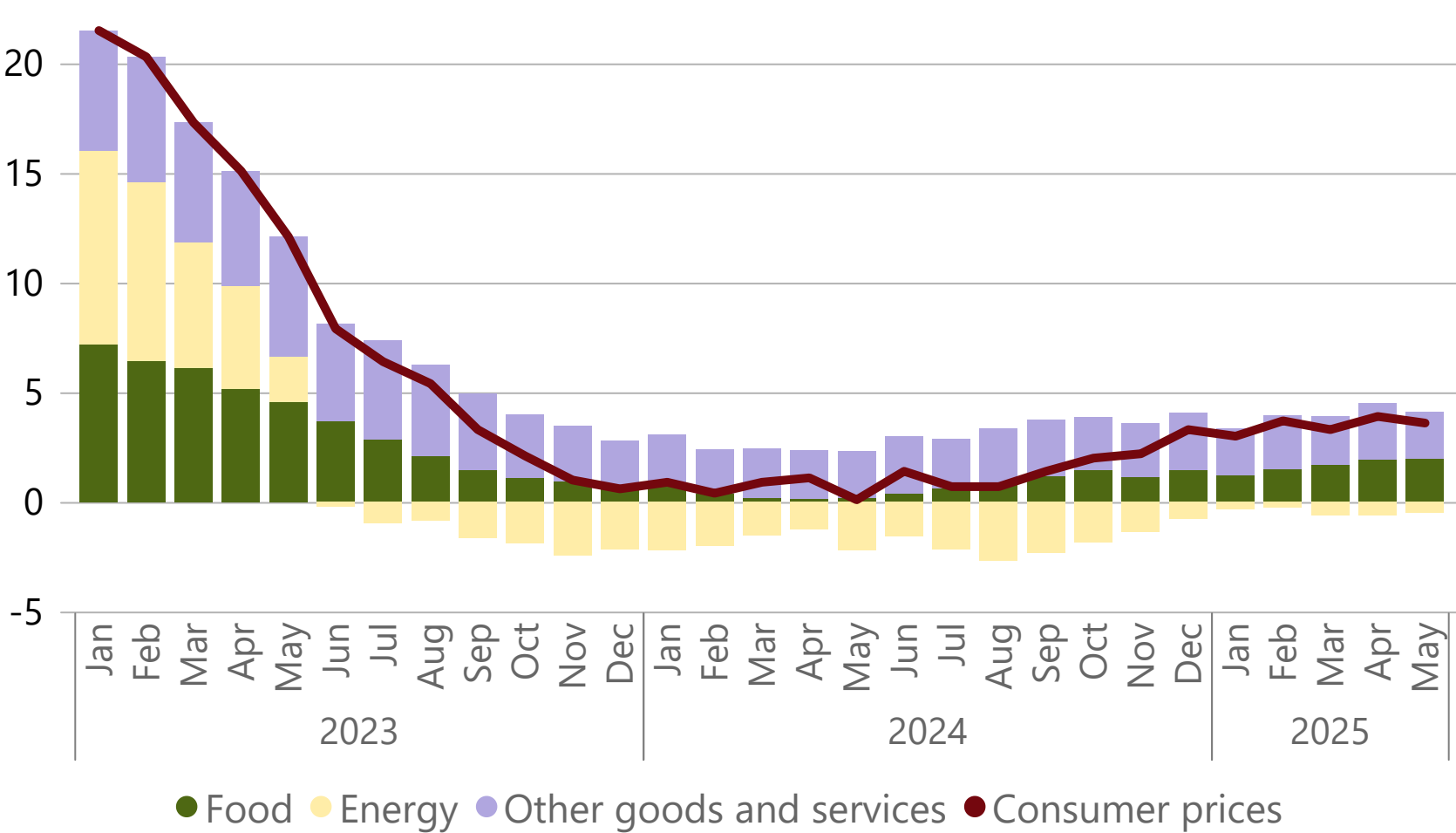
May 2025

Producer price rise

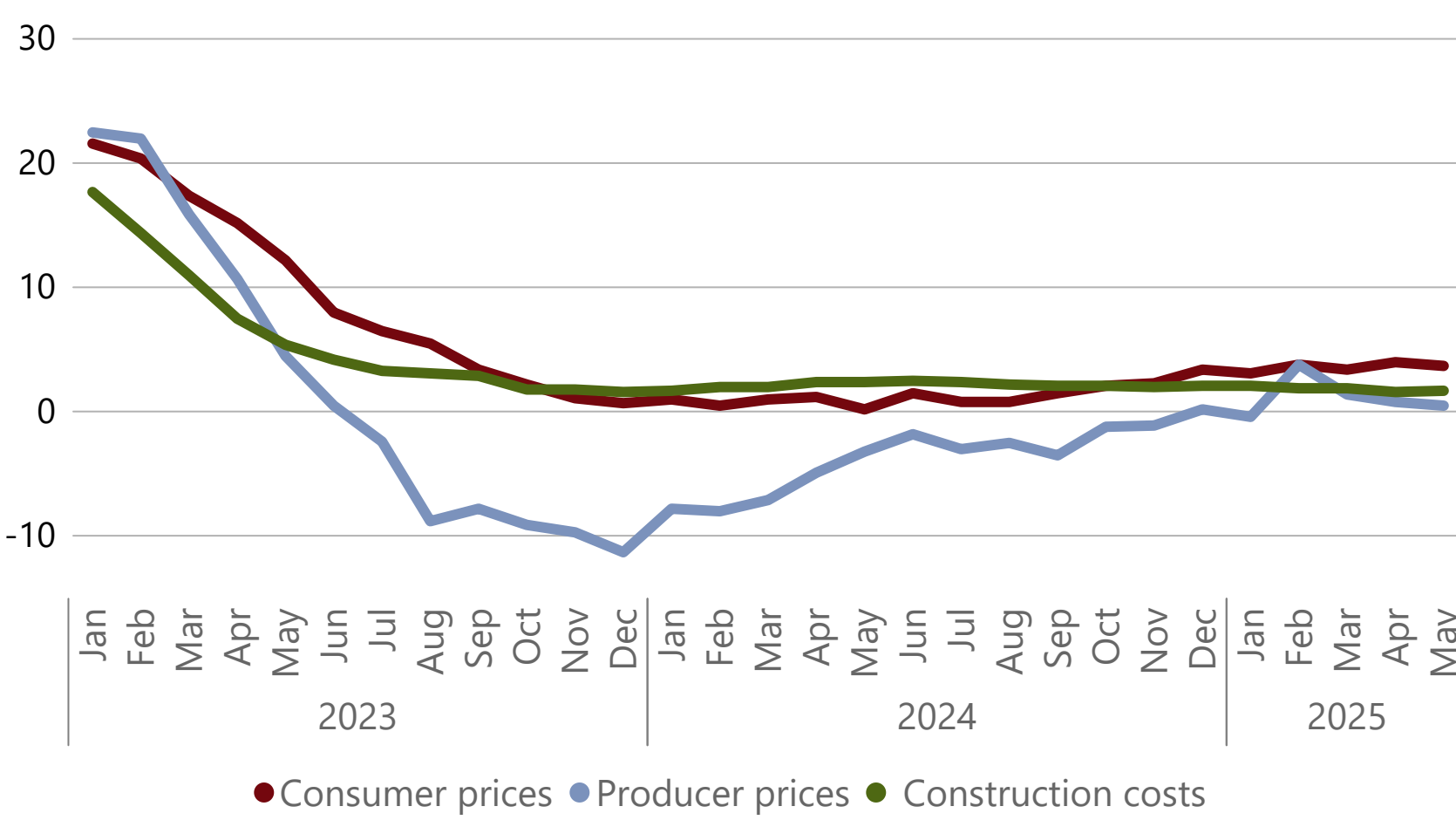
0.4%

May 2025

Consumer prices,YoY%



Prices, YoY%



Source: CSB

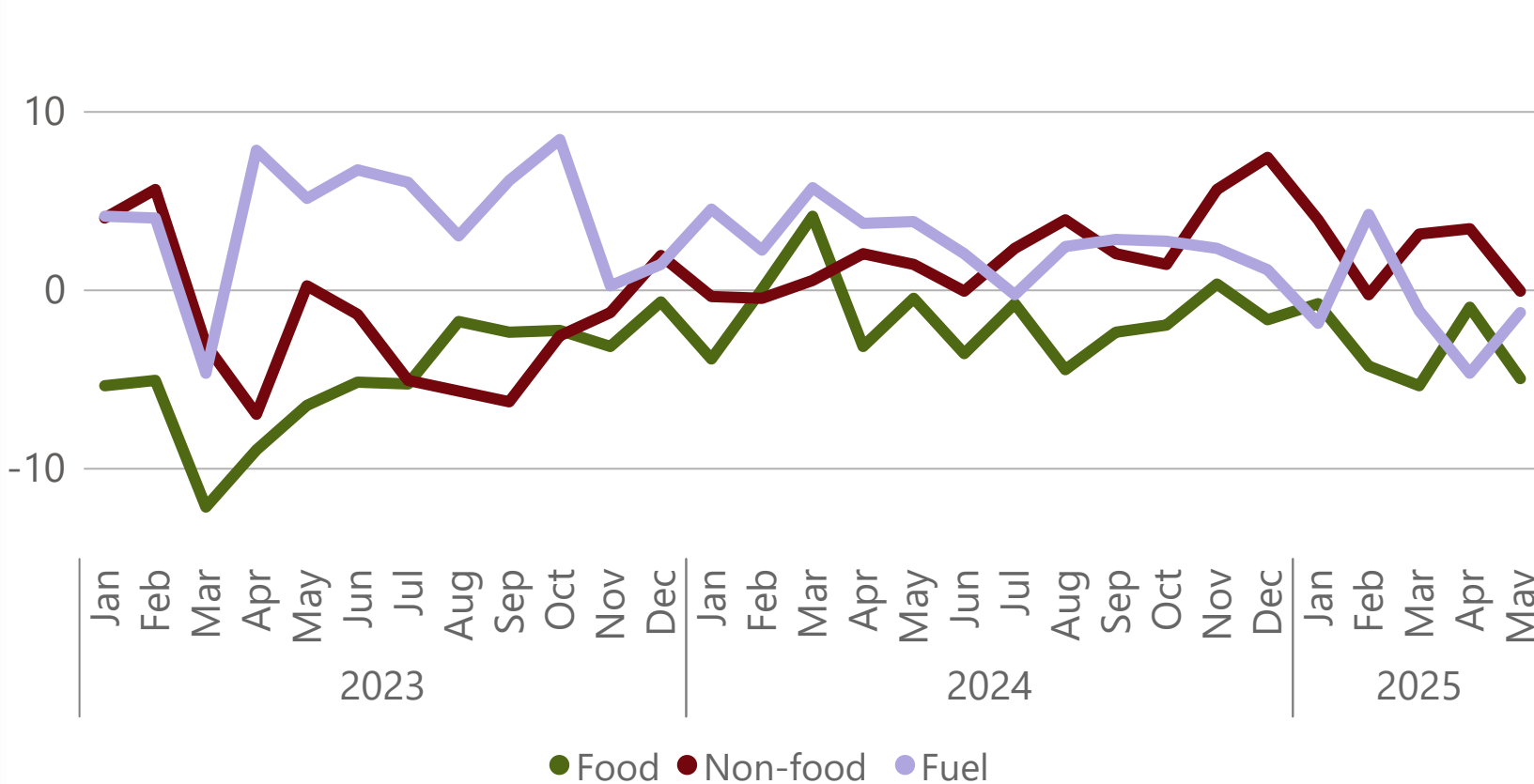
MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024	2025*	2026*	2027*	2028*
Nominal GDP, billions euro	29,3	29,2	32,3	36,1	39,4	40,2	42	44	46	48,2
Nominal GDP growth, %	5	-1,2	10,5	11,8	9,1	2,1	4,4	4,7	4,7	4,6
Real GDP growth, %	0,7	-3,5	6,9	1,8	2,9	-0,4	1,1	2,1	2,2	2,2
GDP deflator, % change	4,3	2,4	3,3	9,8	6	2,6	3,3	2,5	2,5	2,4
Consumer price index, % change	2,8	0,2	3,3	17,3	8,9	1,3	3,5	2,3	2,2	2,2
Average monthly gross wage, EUR	1076	1143	1277	1373	1537	1685	1811	1920	2026	2127
nominal growth, %	7,2	6,2	11,7	7,5	11,9	9,6	7,5	6	5,5	5
real growth, %	4,2	6	8,2	-8,4	2,8	8,2	3,9	3,6	3,2	2,7
Number of persons employed, thsd	910	893	864	886	884	877	876	874	871	867
growth, %	0,1	-1,9	-3,2	2,6	-0,2	-0,8	-0,2	-0,2	-0,3	-0,5
Unemployment rate, %	6,3	8,1	7,6	6,9	6,5	6,9	6,9	6,3	5,8	5,5

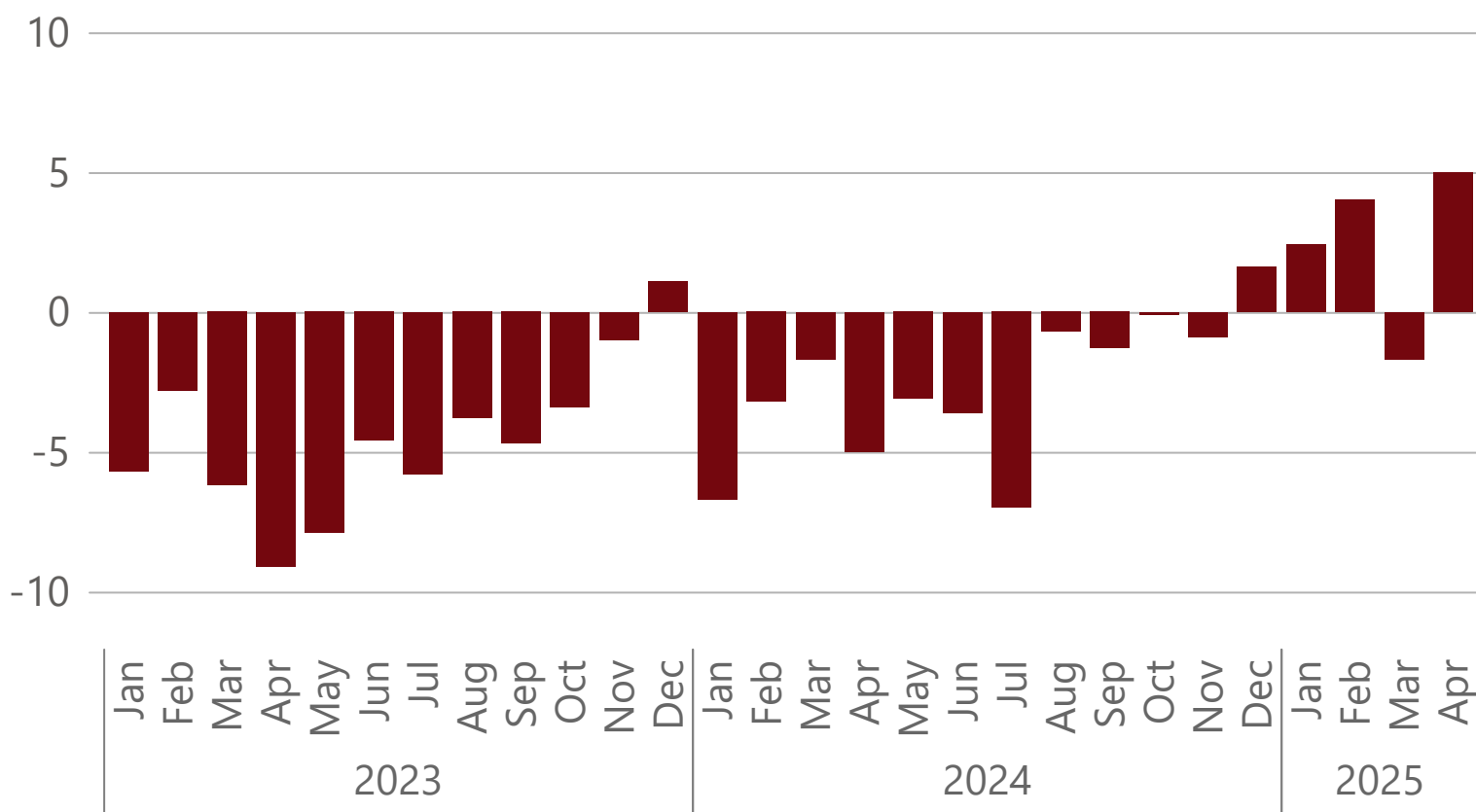
Source: CSB (16.04.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2025)

INDUSTRIES

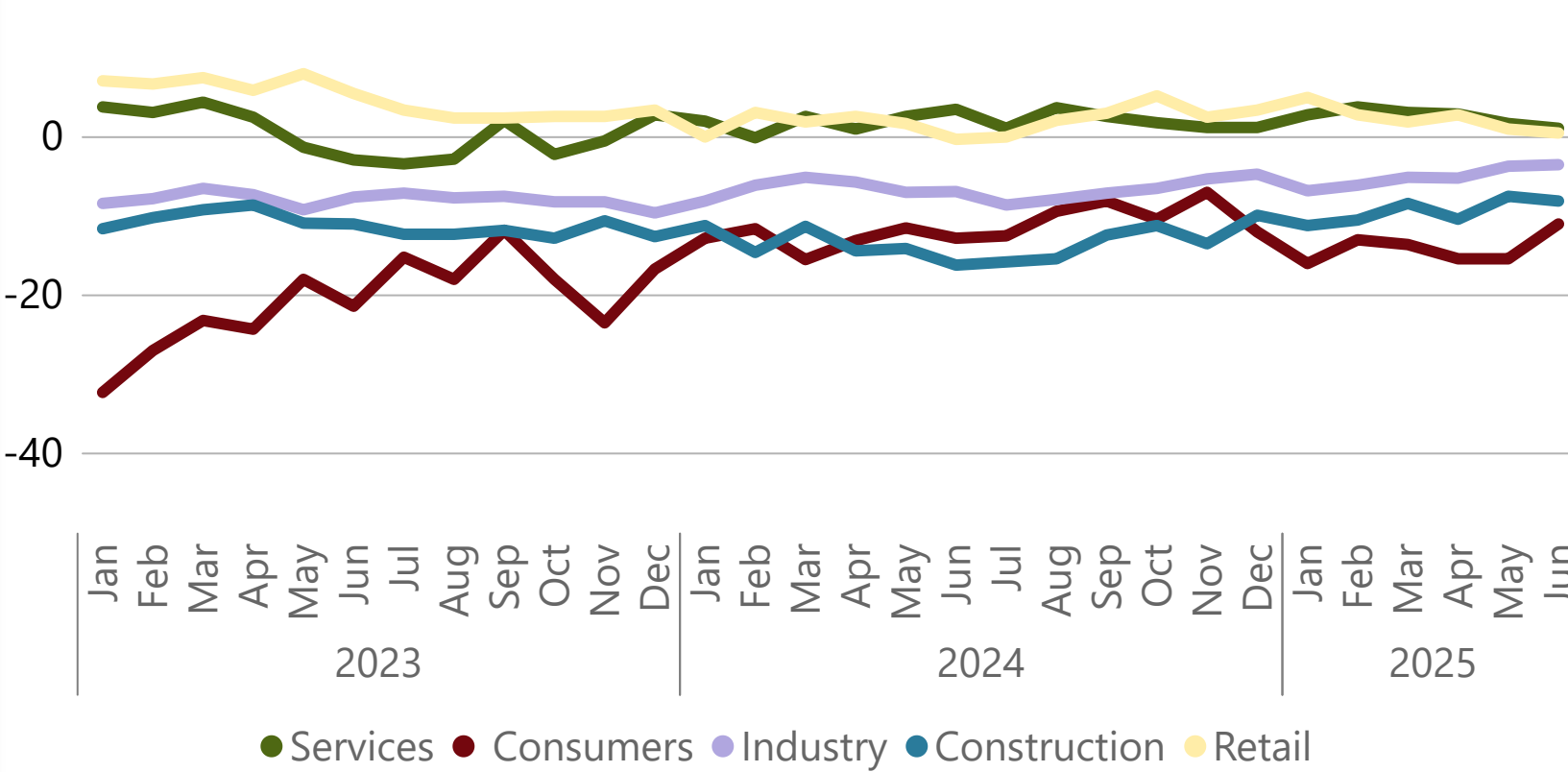
Retail trade growth, YoY%



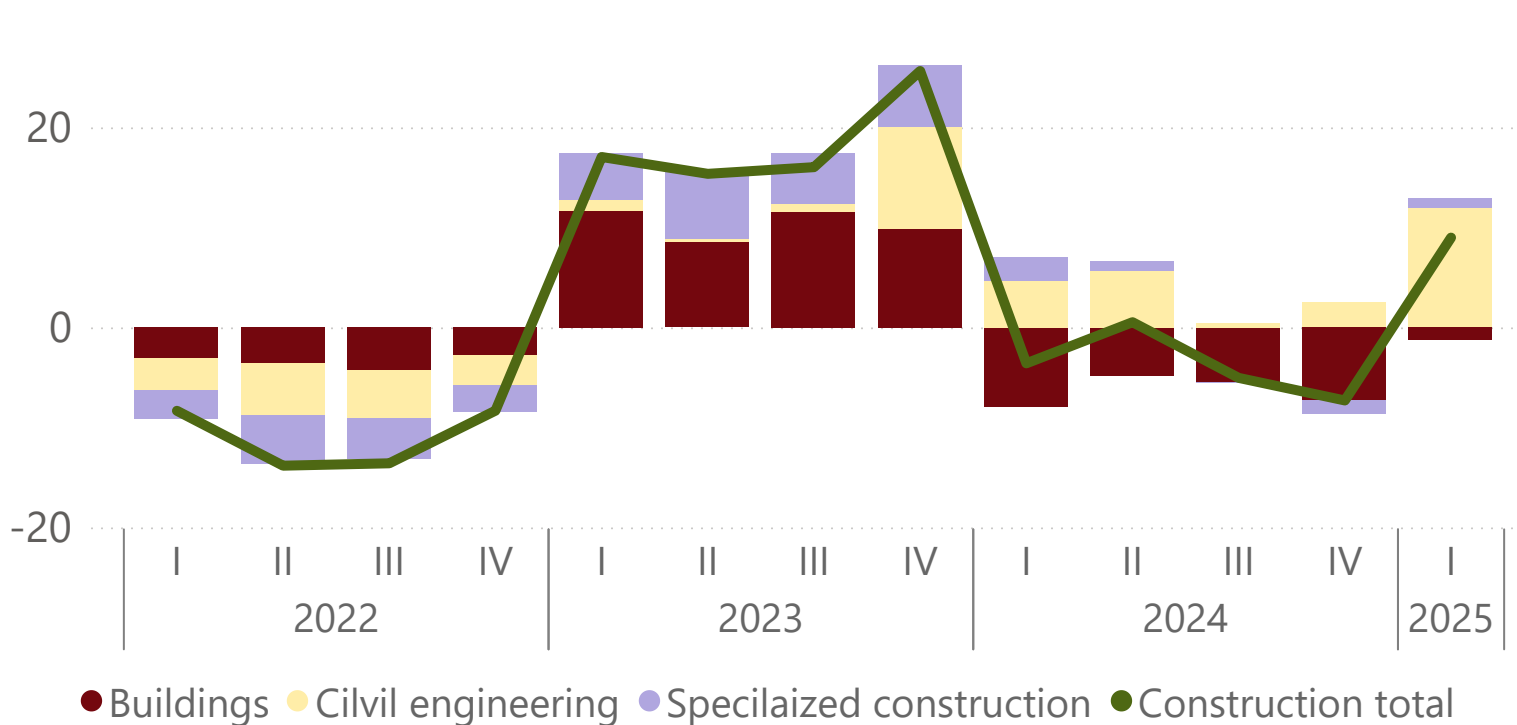
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY



Source: CSB, European Commission

UNEMPLOYMENT

Registered unemployment

4.9%

May 2025

Labour force survey

6.8%

May 2025

Private sector

1 766€
(+9.4% YoY)
1stQ 2025

WAGE

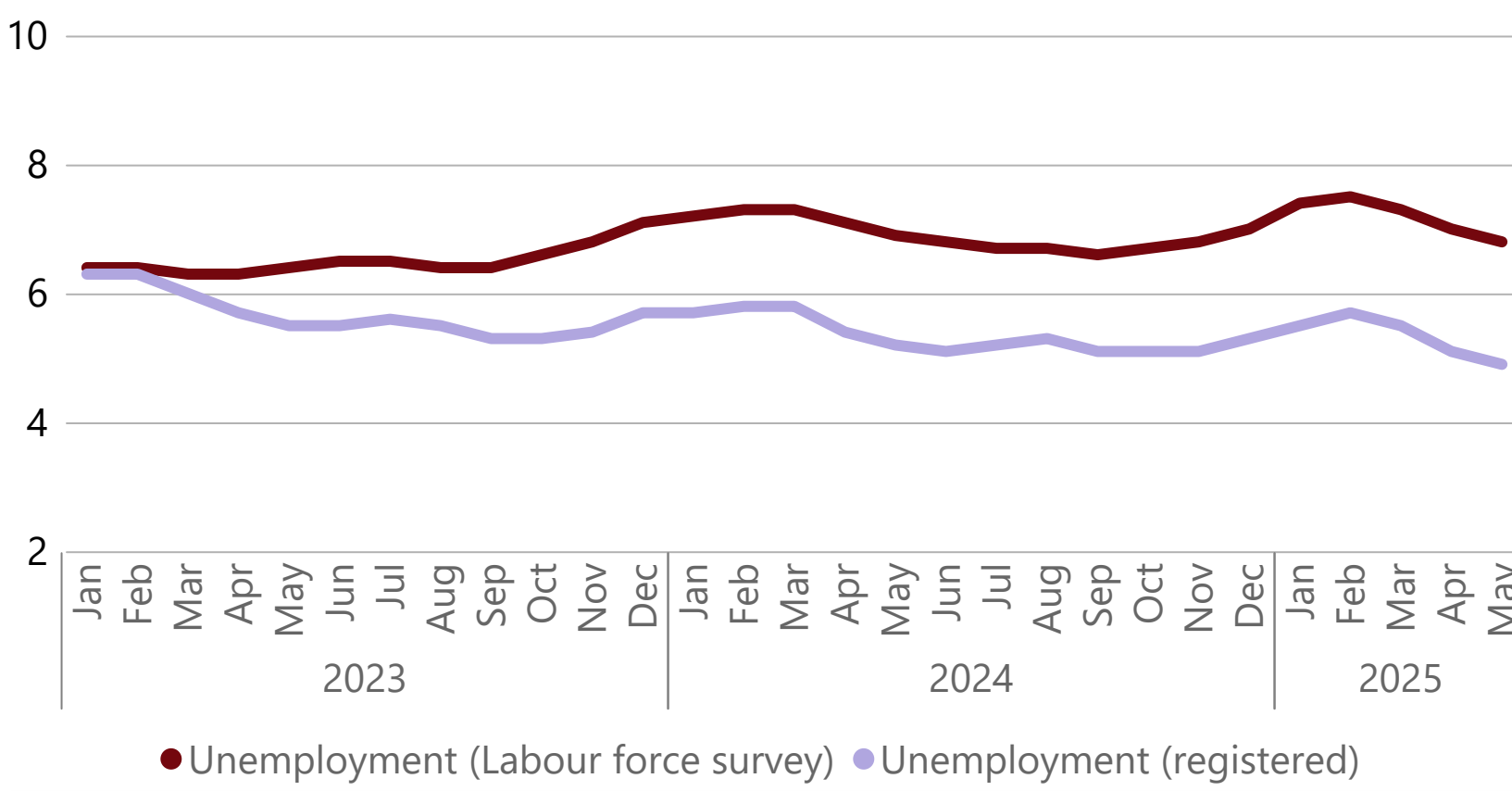
Public sector

1 753€
(+5.8% YoY)
1stQ 2025

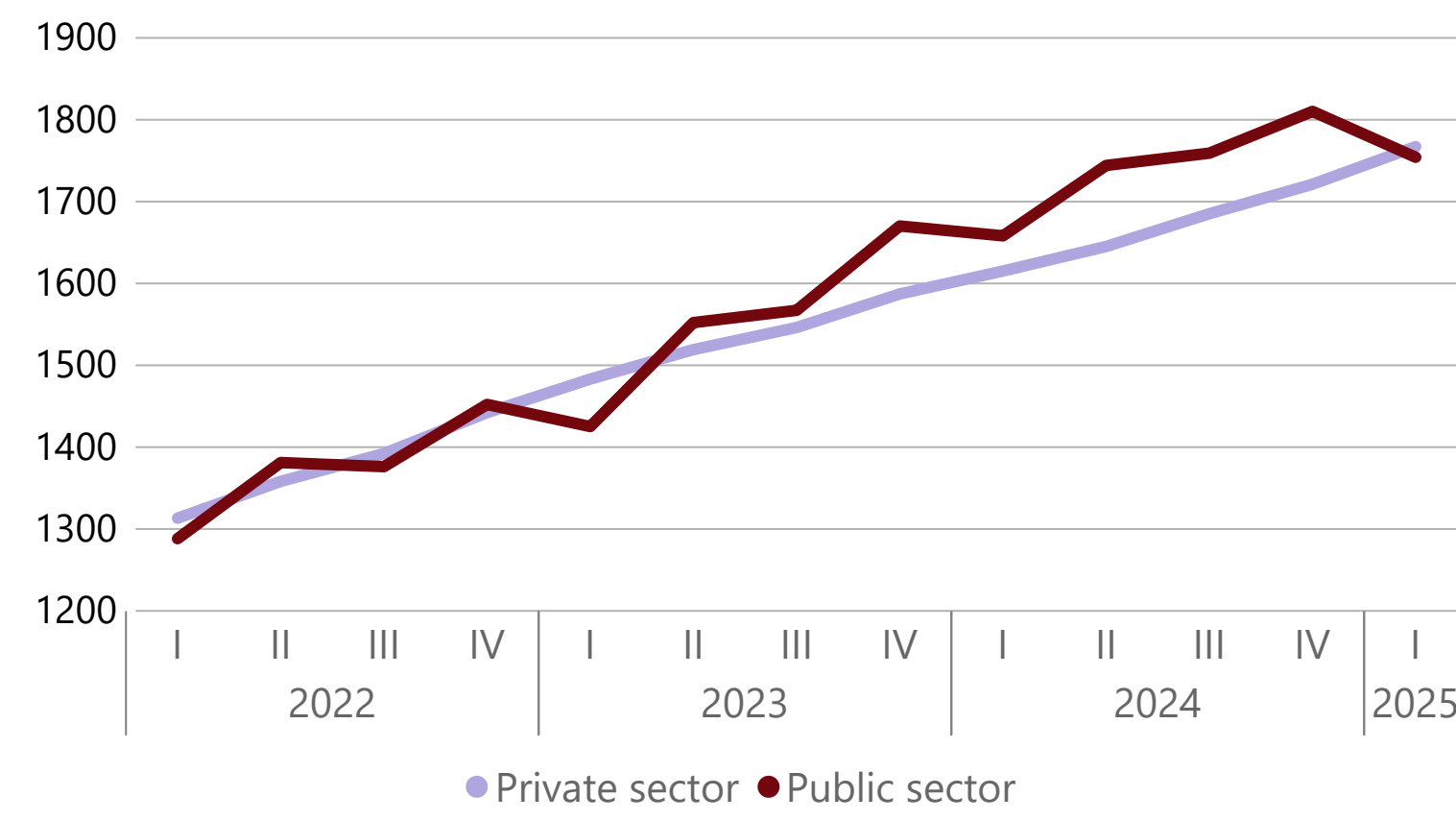
Total

1 757€
(+8.3% YoY)
1stQ 2025

Unemployment rate, %



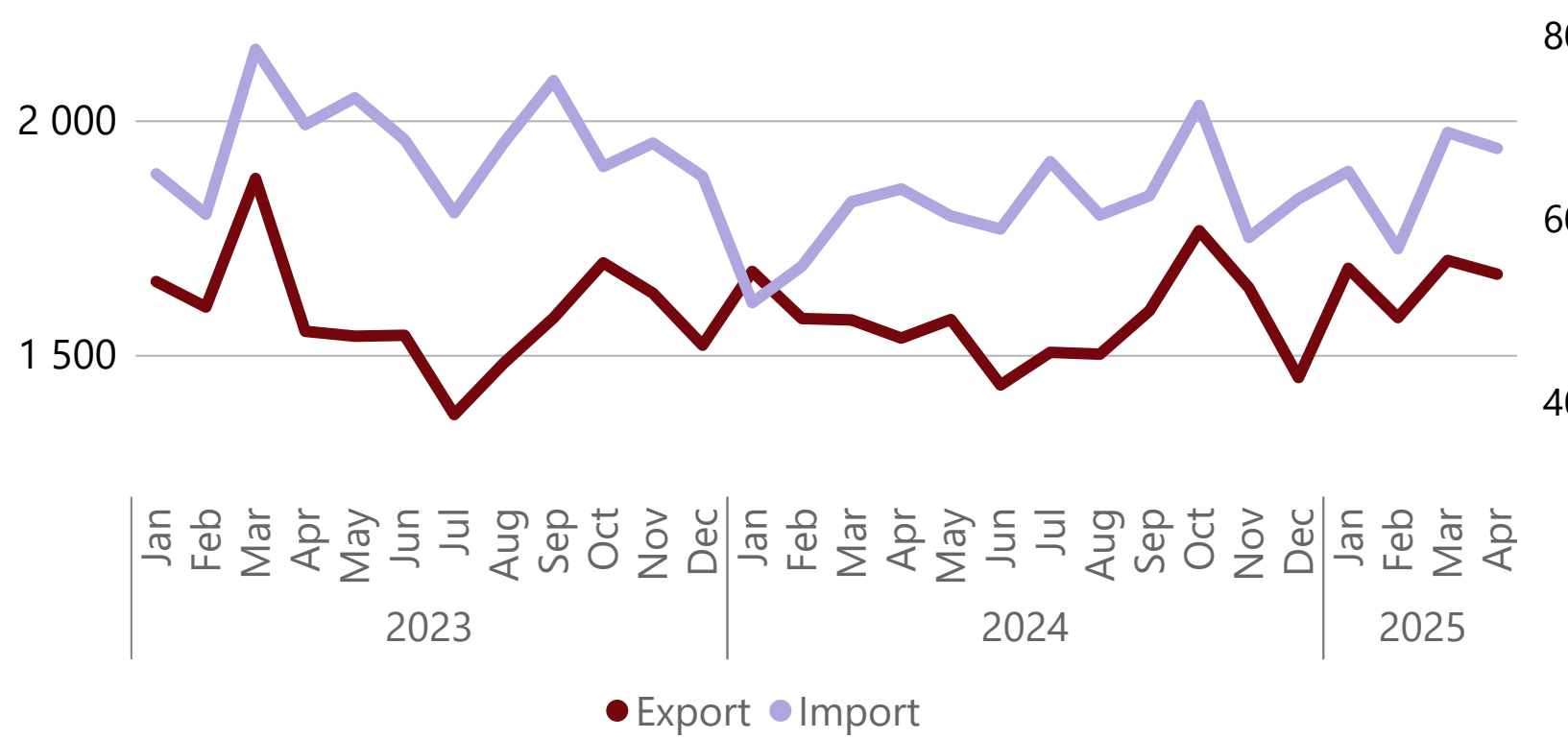
Average monthly gross wage, €



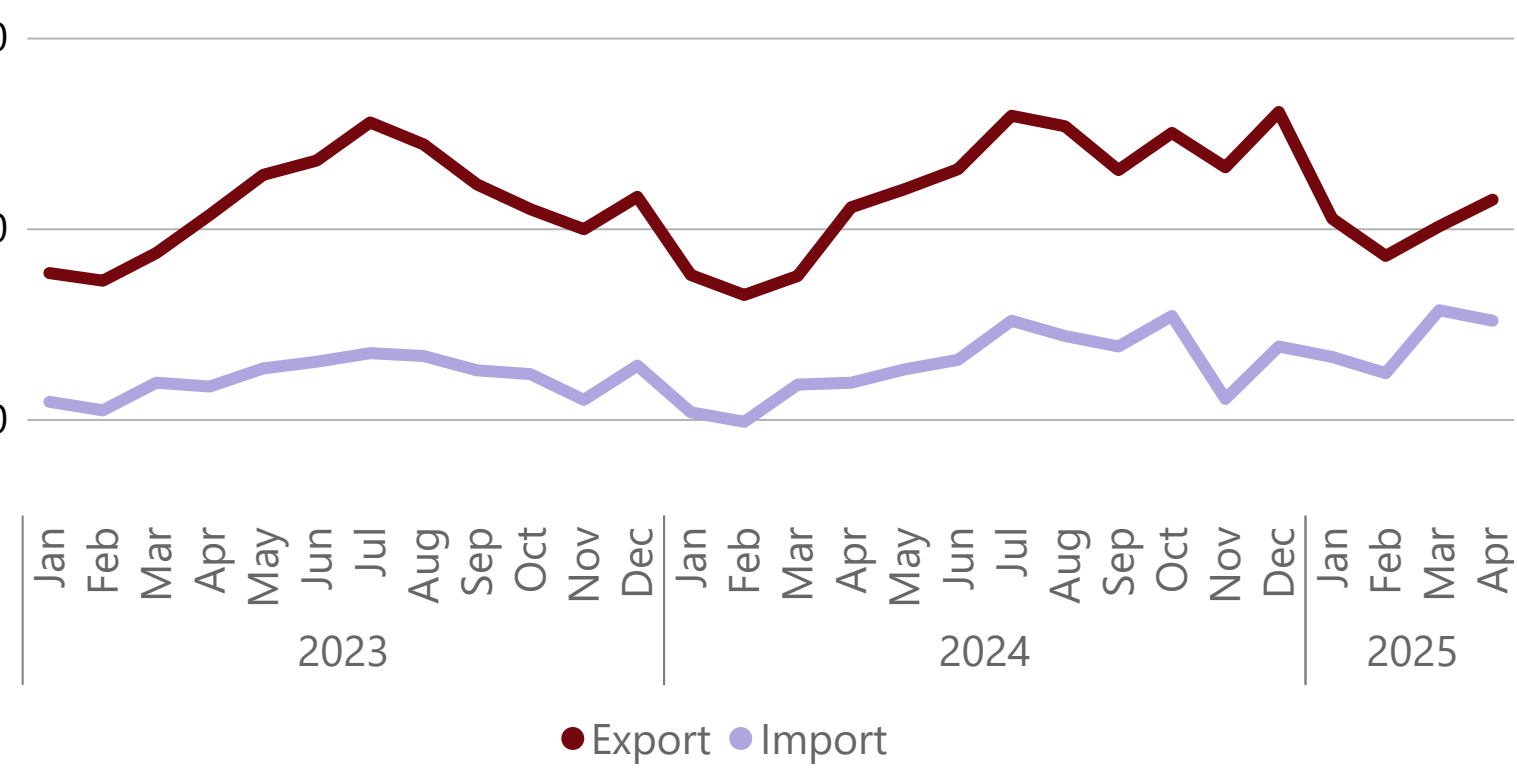
Source: CSB, State Employment Agency

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-3.1% of GDP

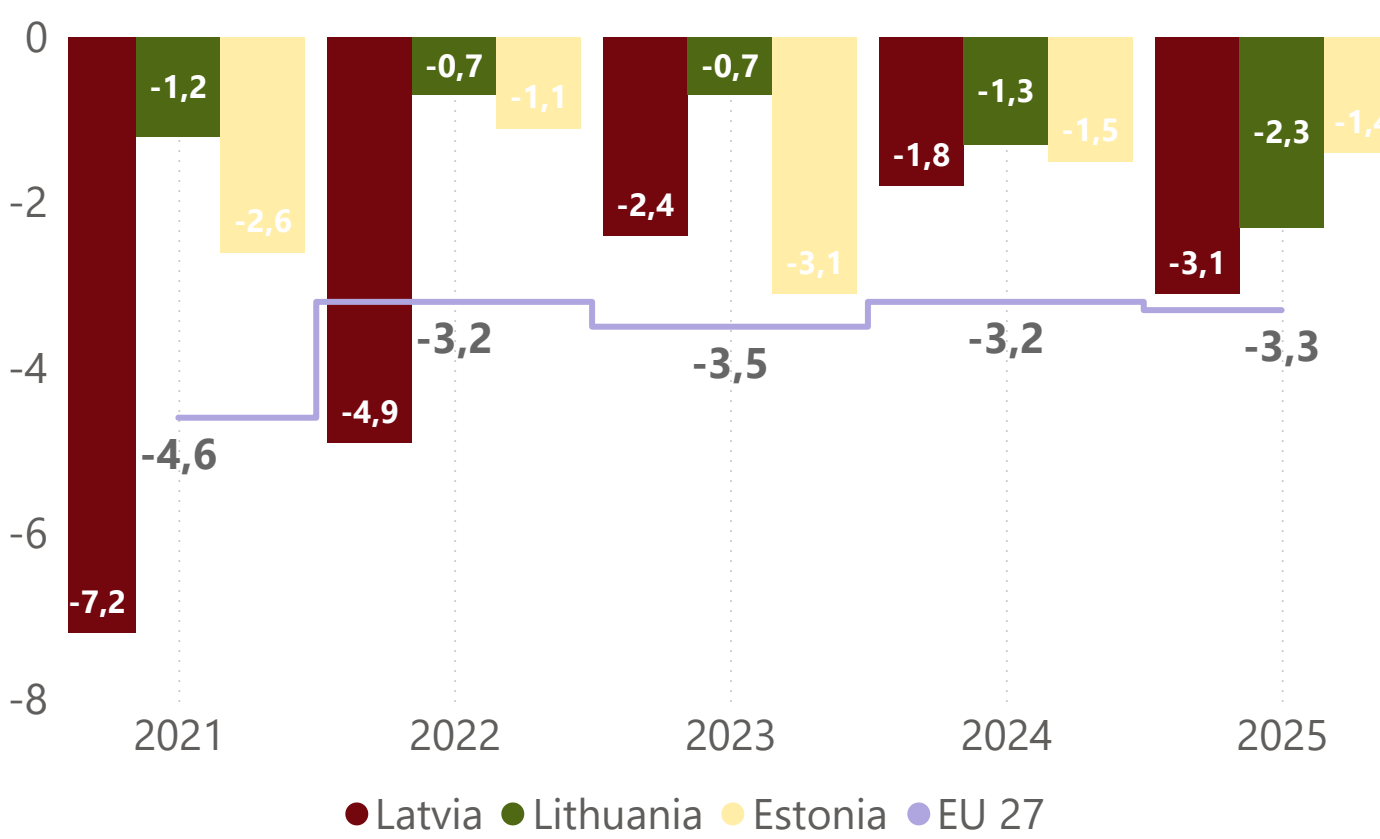
Forecast of MoF, March 2025

General government debt 2025

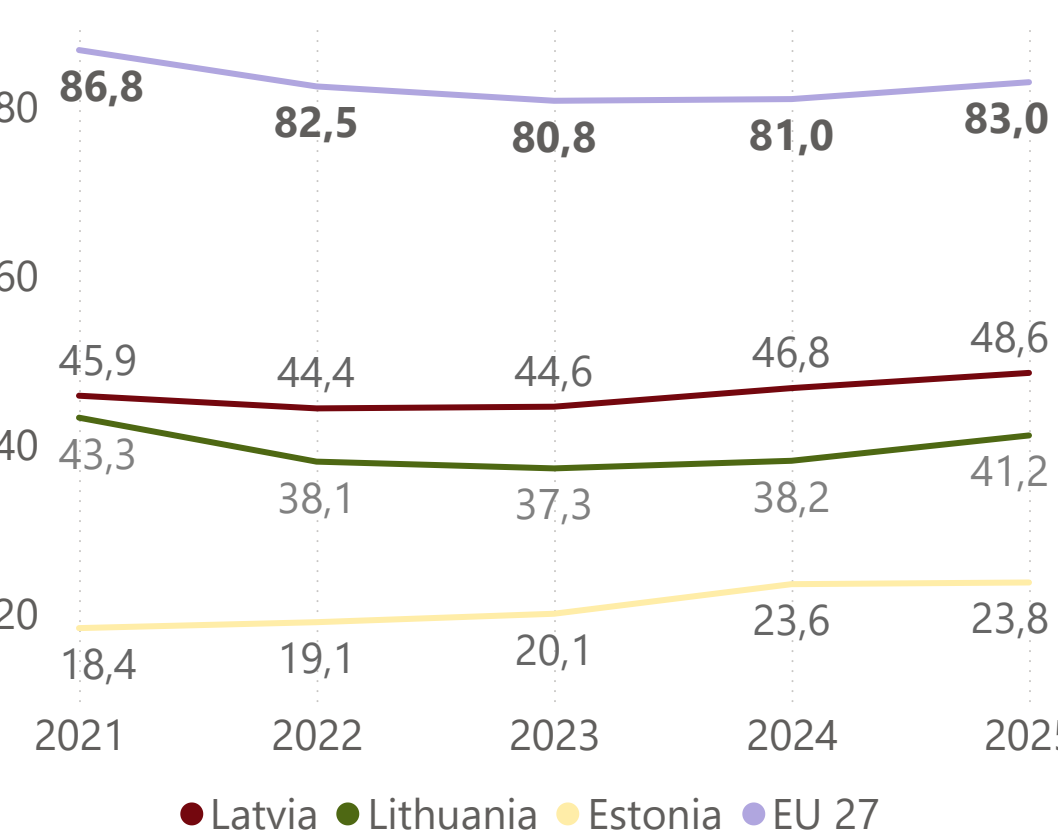
49.0% of GDP

Forecast of Treasury, March 2025

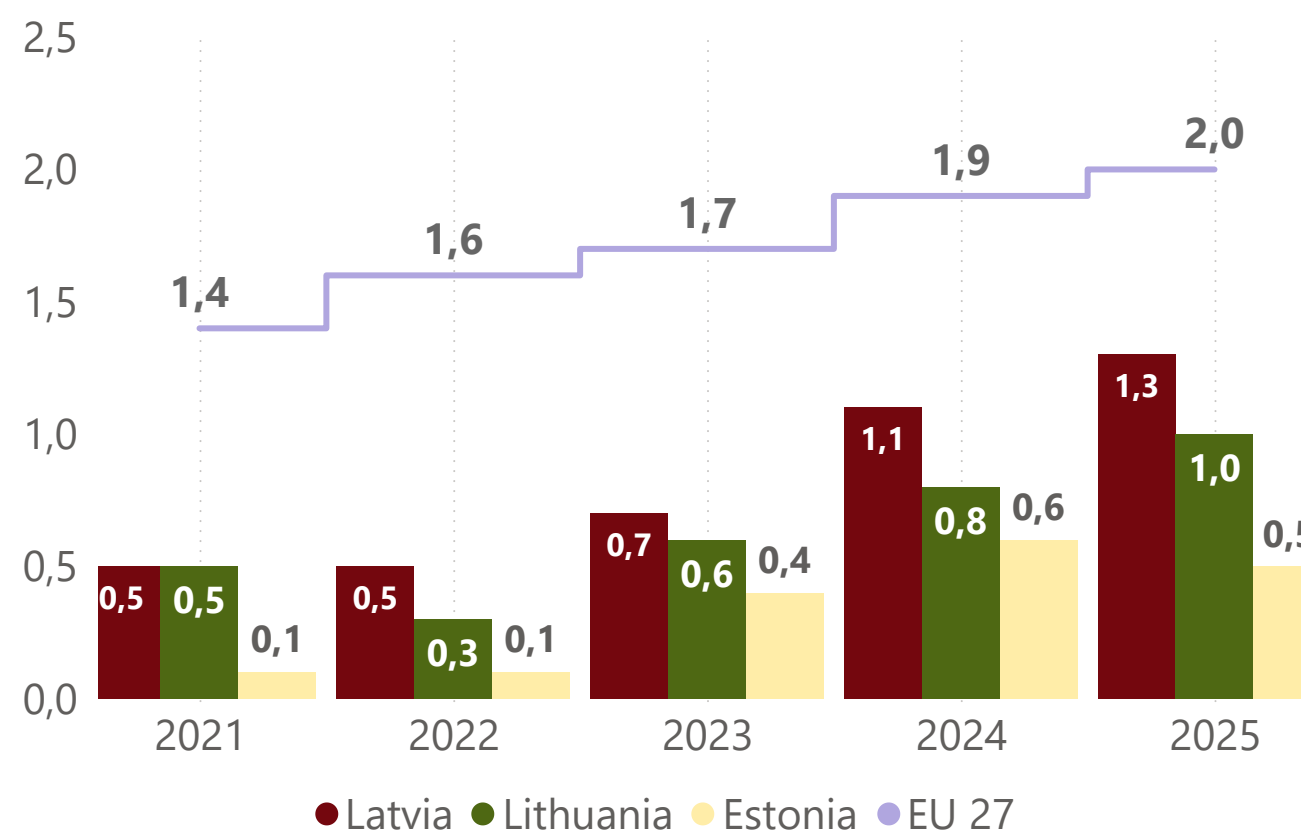
General government budget balance, % of GDP



General government debt, % of GDP



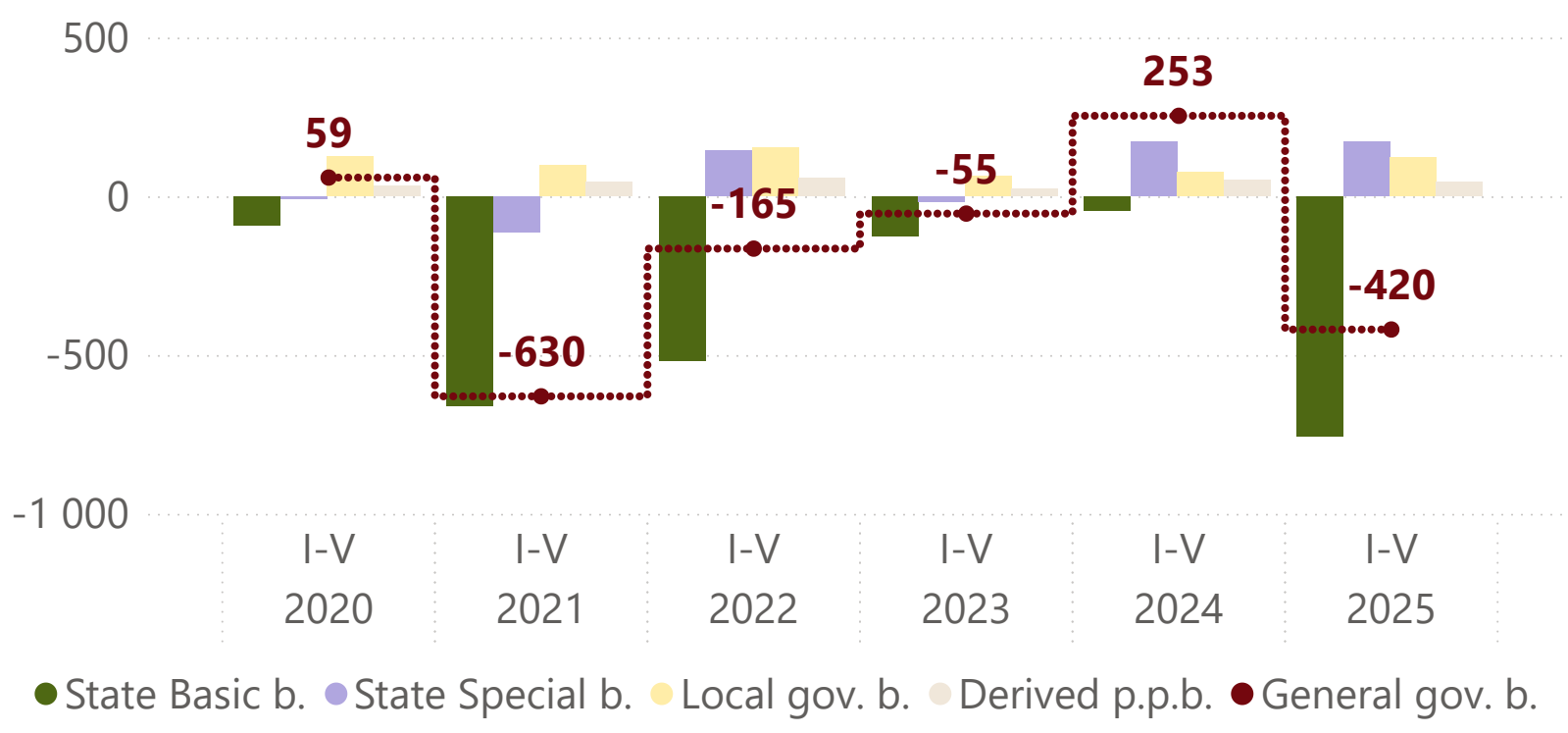
Interest expenditure (D.41), % of GDP



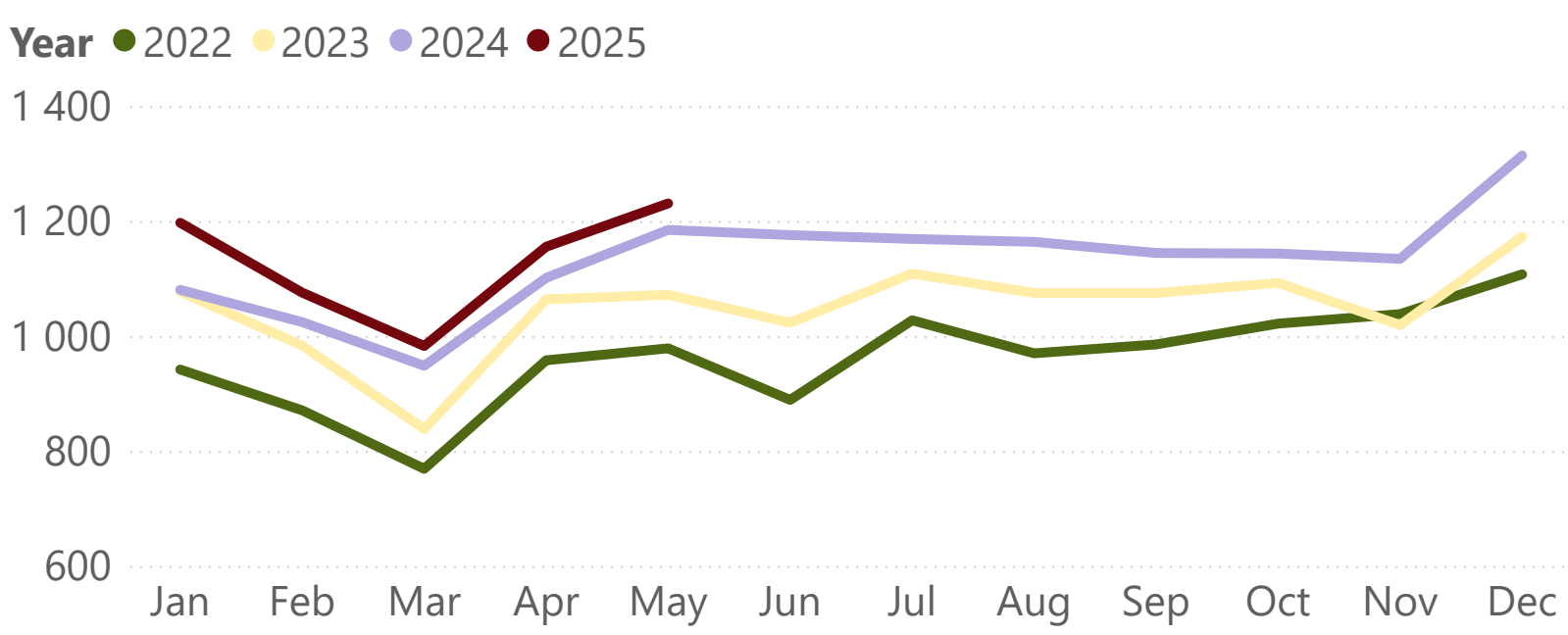
Source: Eurostat (2021-2024), AMECO forecast spring 2025

GENERAL GOVERNMENT BUDGET JANUARY-MAY 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-May 2025, including revenue in the single tax account (-128.9 mln €) and excluding SSC at the 2nd pension pillar (350.5 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	7 223,0	-0,4	-0,0%
Expenditure	7 642,8	672,6	9,7%
Balance	-419,8	-673,1	

General government budget tax revenue

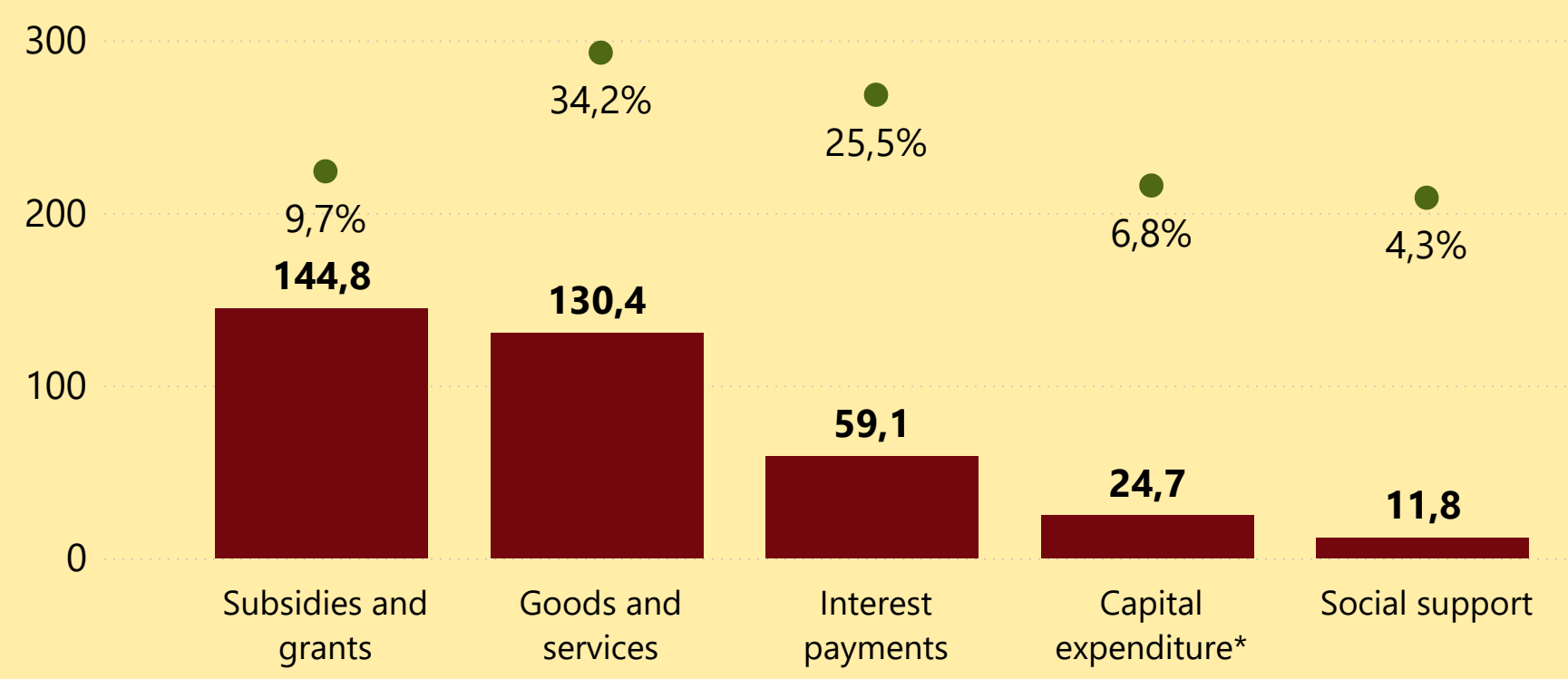
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	1 949,1	96,8	5,2%
VAT	1 579,4	108,2	7,4%
PIT	1 023,6	15,5	1,5%
EXCISE	503,0	32,0	6,8%
CIT	379,7	74,8	24,5%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	5 641,4	302,5	5,7%
Non tax revenue	301,8	-83,6	-21,7%
Self-earned revenue	252,5	14,7	6,2%
Foreign financial assistance	1 026,5	-234,0	-18,6%
Expenditure			
Remuneration	1 631,0	82,9	5,4%
Goods and services	900,7	135,4	17,7%
Interest payments	280,9	34,8	14,1%
Subsidies and grants	1 748,7	147,7	9,2%
Social support	2 309,3	156,2	7,3%
Payments to EU budget	170,3	16,5	10,7%
Capital expenditure	568,8	99,3	21,1%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 151,0	-159,9	-3,7%
Expenditure	4 908,0	552,5	12,7%
Balance	-757,0	-712,4	

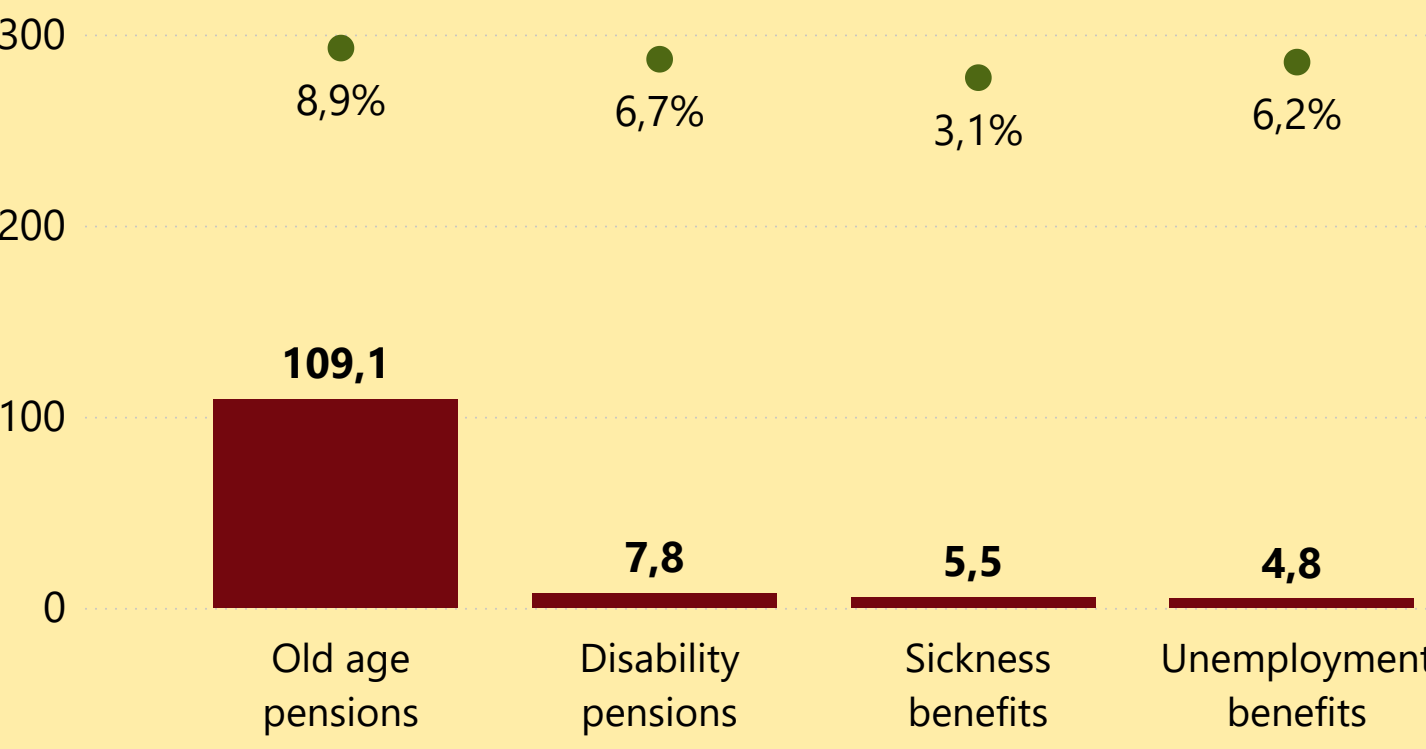
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 083,5	135,1	6,9%
Expenditure	1 913,1	135,8	7,6%
Balance	170,4	-0,7	

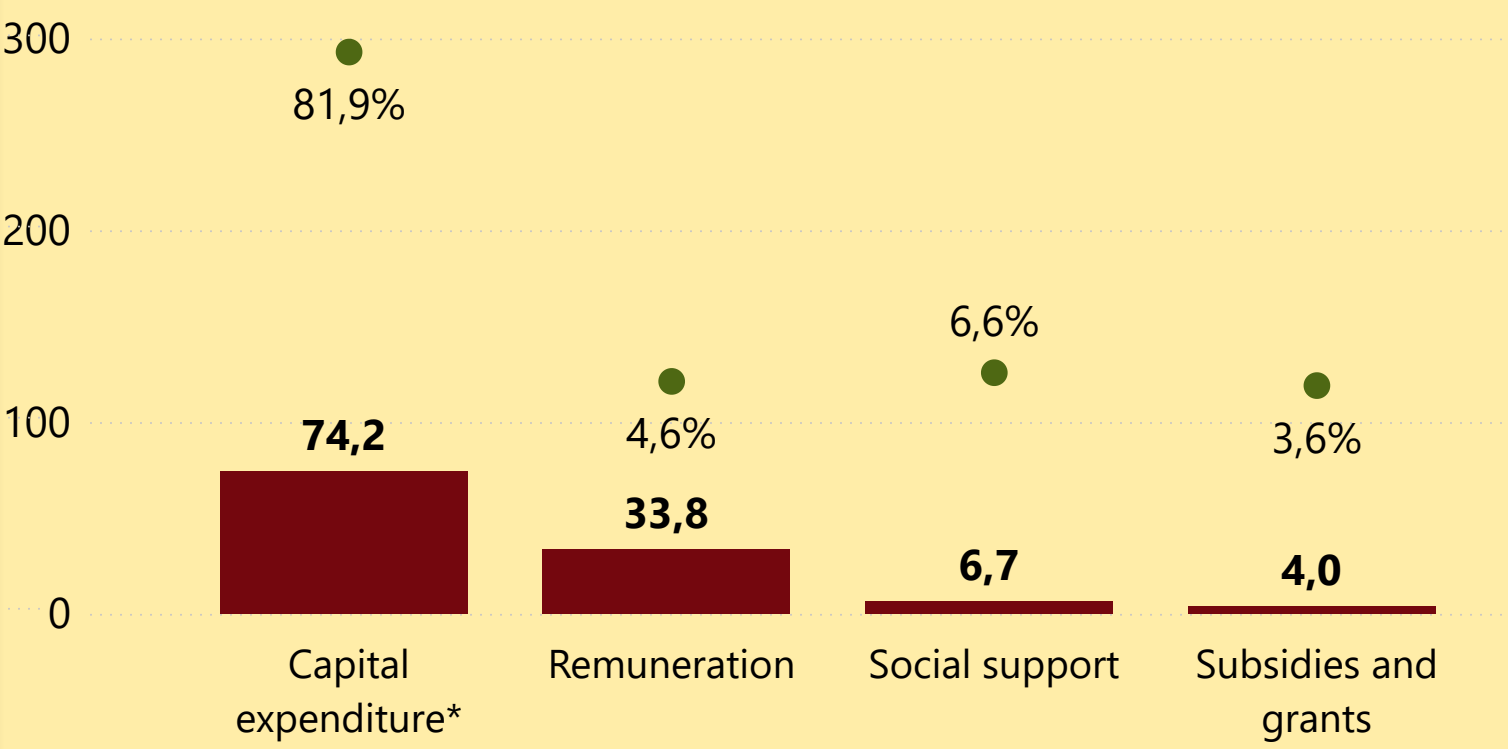
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 650,1	153,6	10,3%
Expenditure	1 529,3	110,1	7,8%
Balance	120,8	43,5	

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

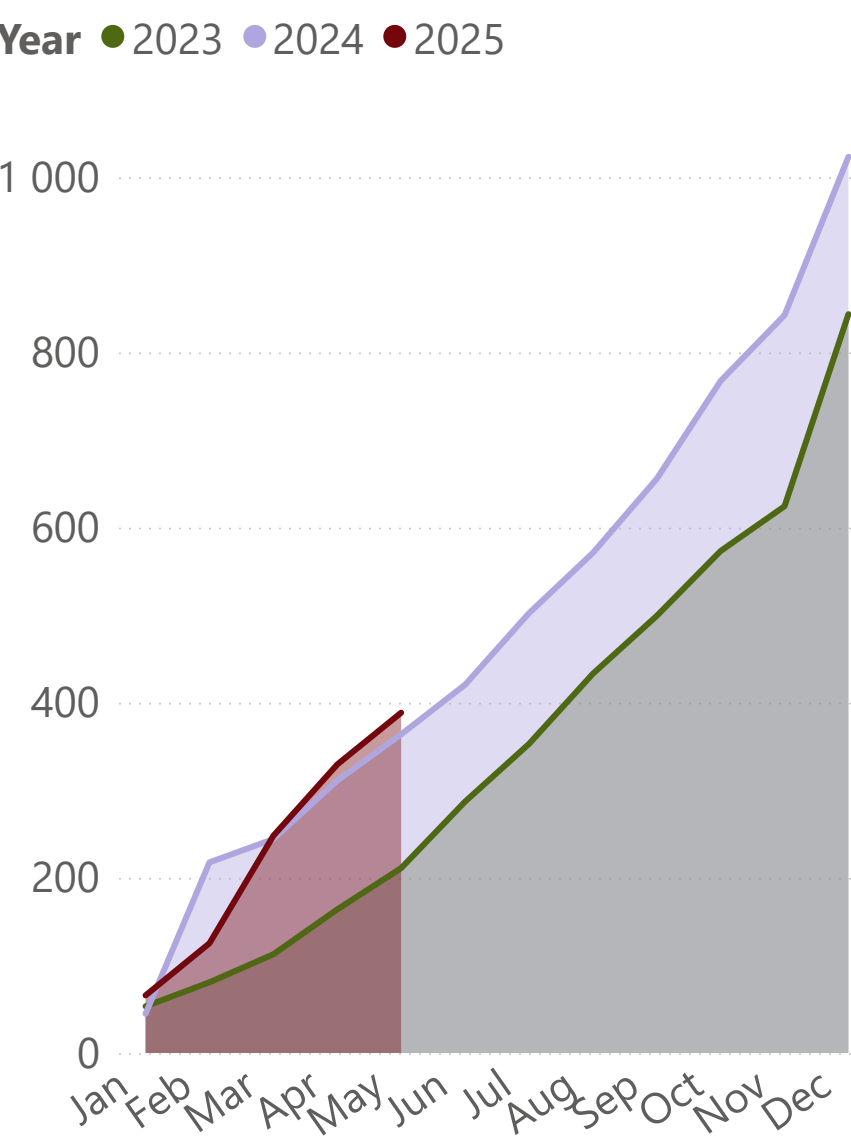


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

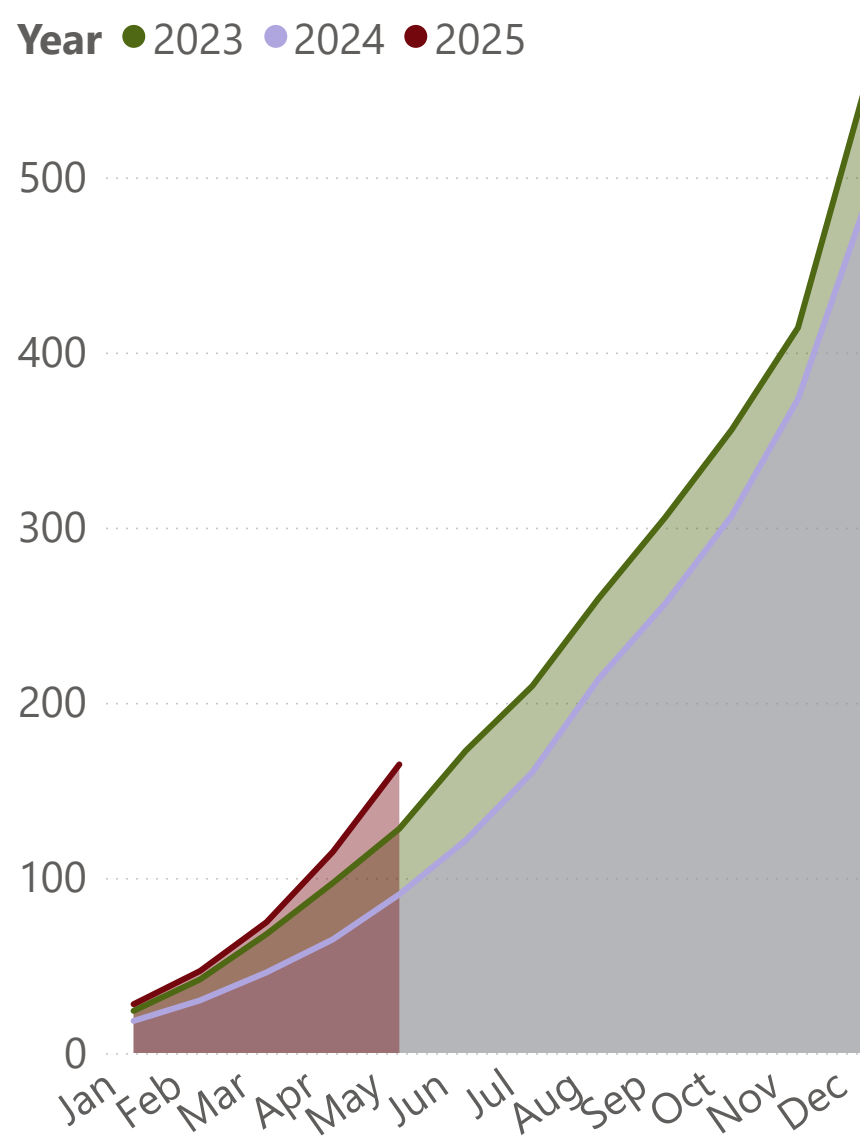
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

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

430 791
(+0.4% YoY)
May 2025

Unemployment benefit recipients

30 526
(-8,2% YoY)
May 2025

Old-age pensions average amount

605€
(+11.8% YoY)
May 2025

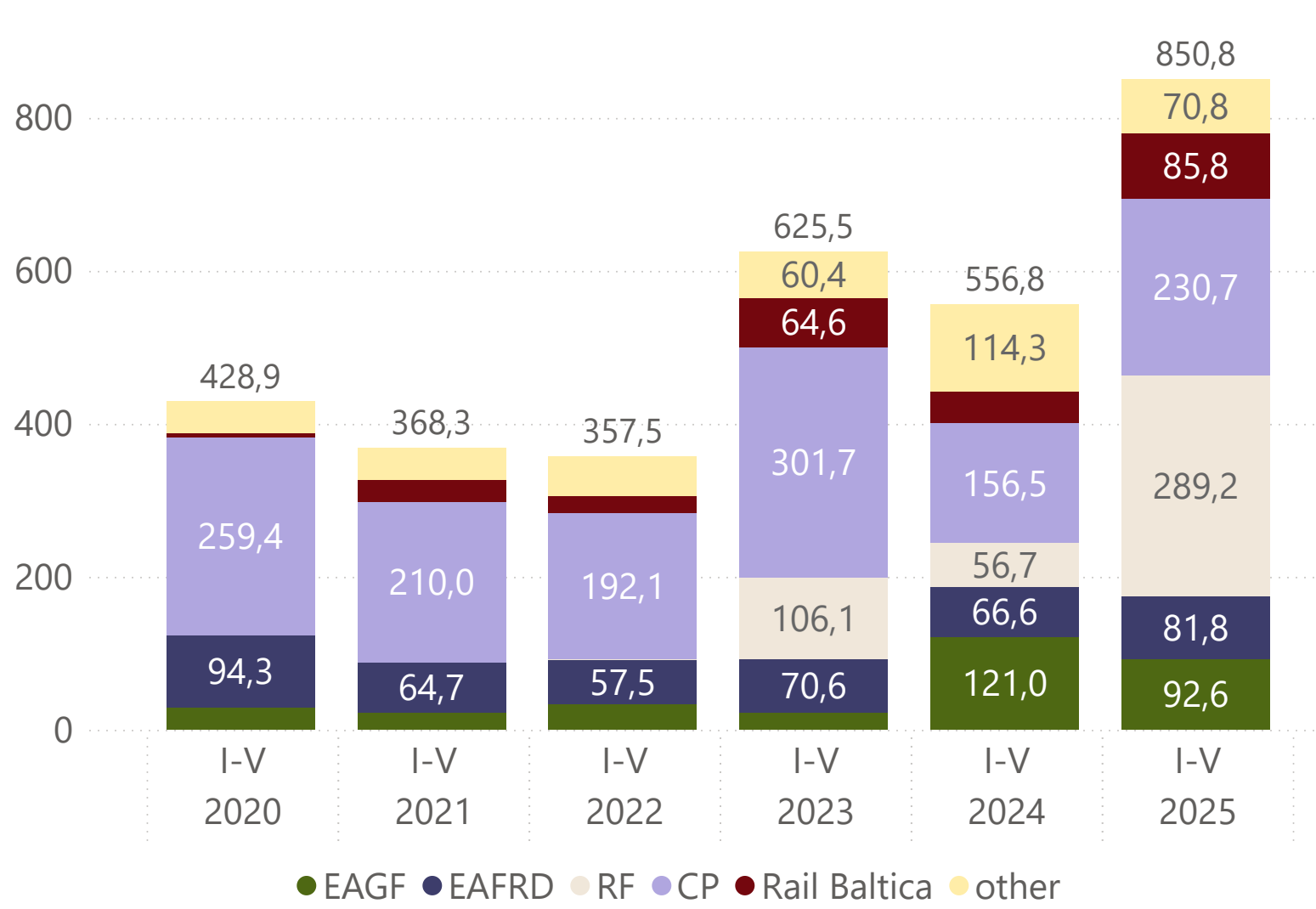
Unemployment benefit average amount

485€
(+12,2% YoY)
May 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