

MACROECONOMIC AND BUDGETARY REVIEW 2025

No 7

GROSS DOMESTIC PRODUCT (GDP)

GDP 2024

40 208 mln €

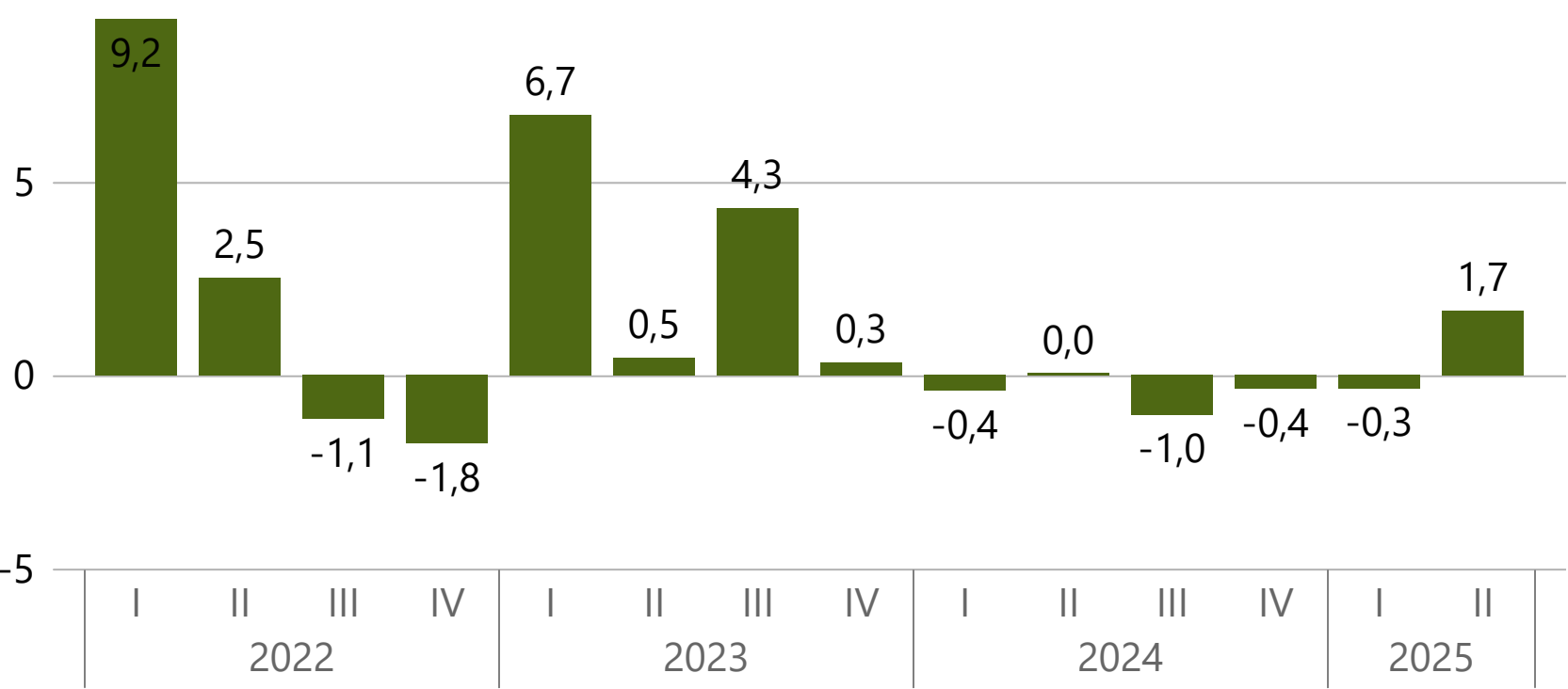
CSB, 16.04.2025

GDP growth 2025

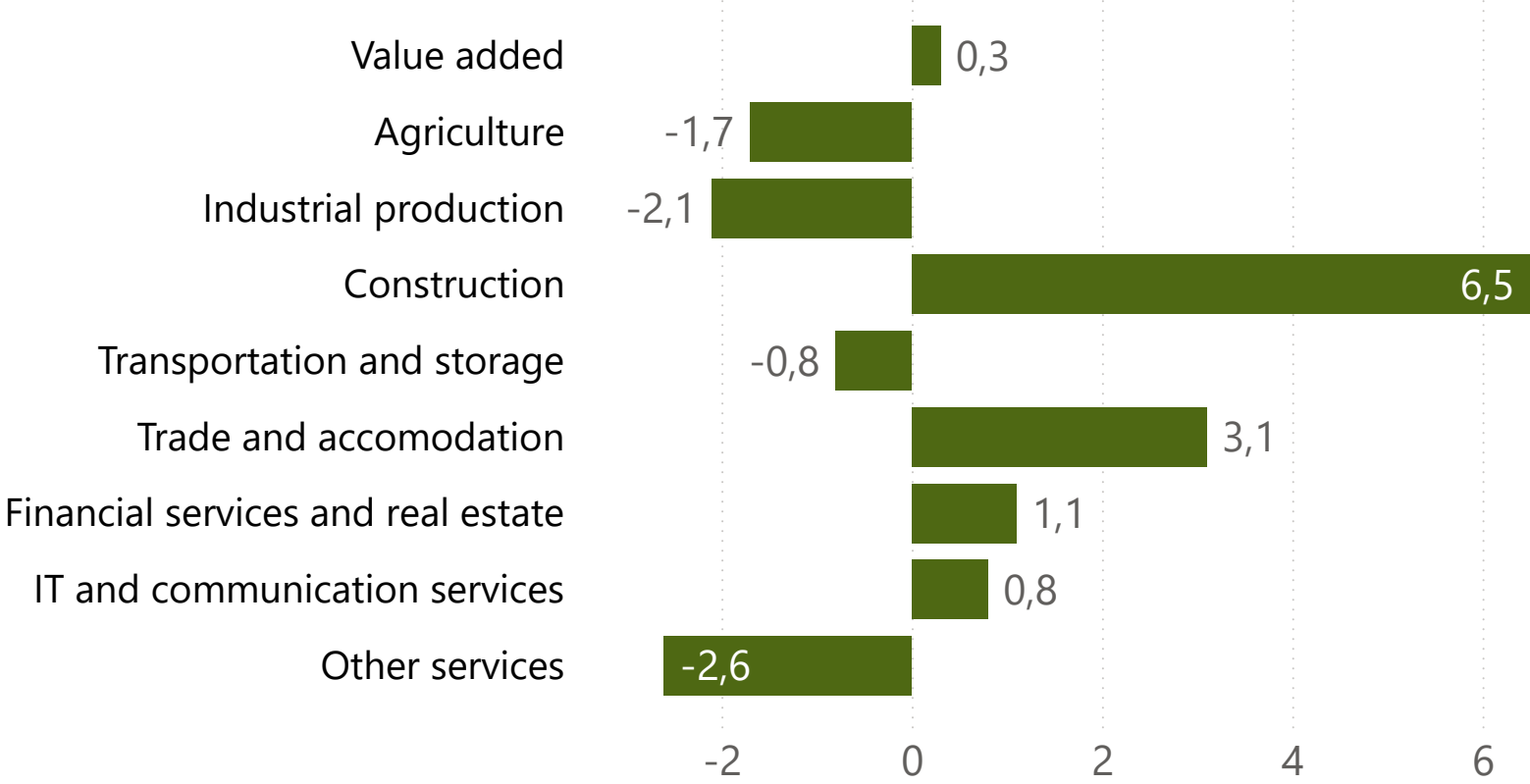
1.1%

MoF forecast, June 2025

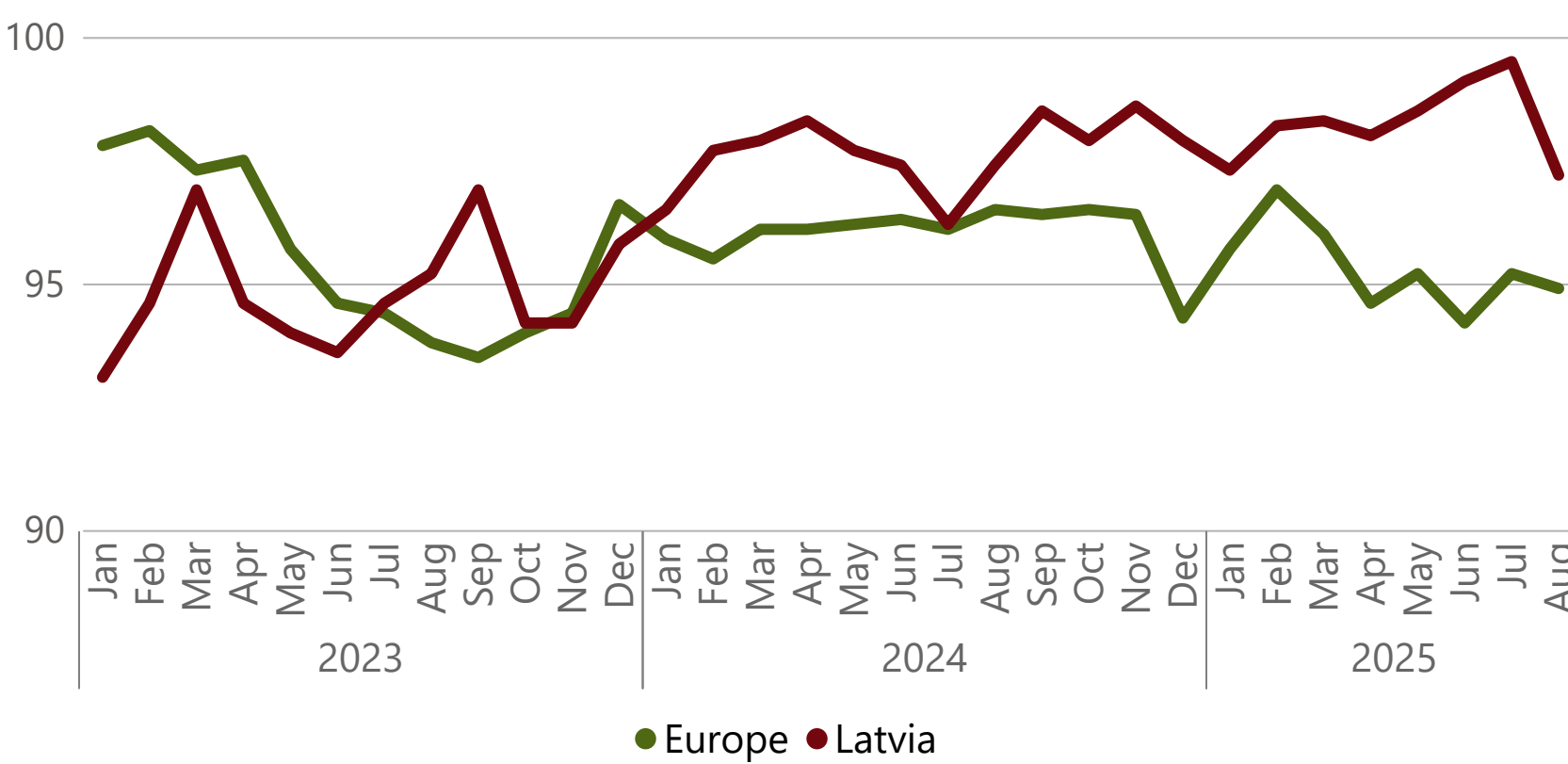
GDP growth, YoY%



GDP growth by sectoral breakdown
2025 1st half/2024 1st half



ESI Economic confidence



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

INFLATION

Inflation

3.8%

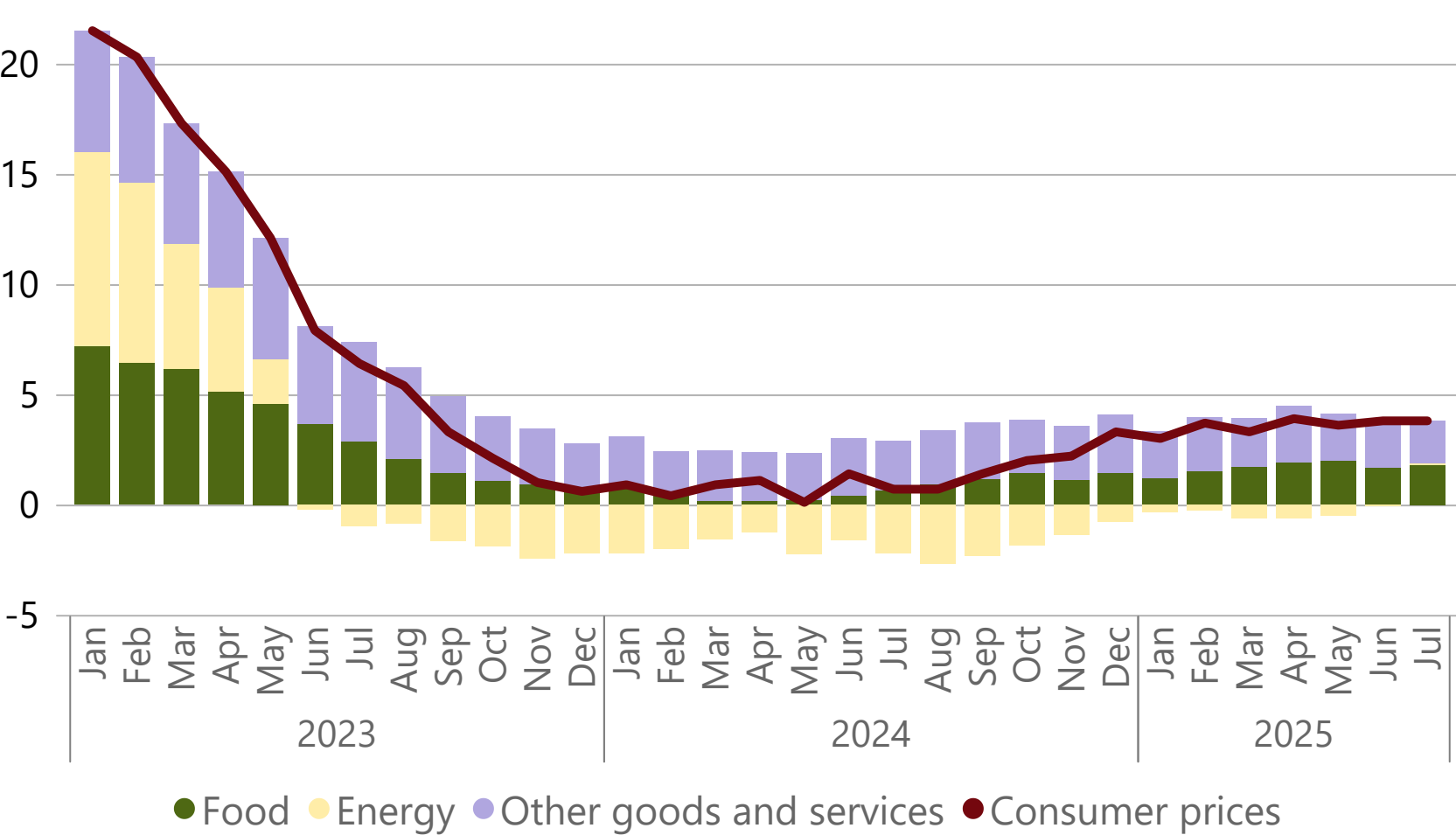
July 2025

Producer price rise

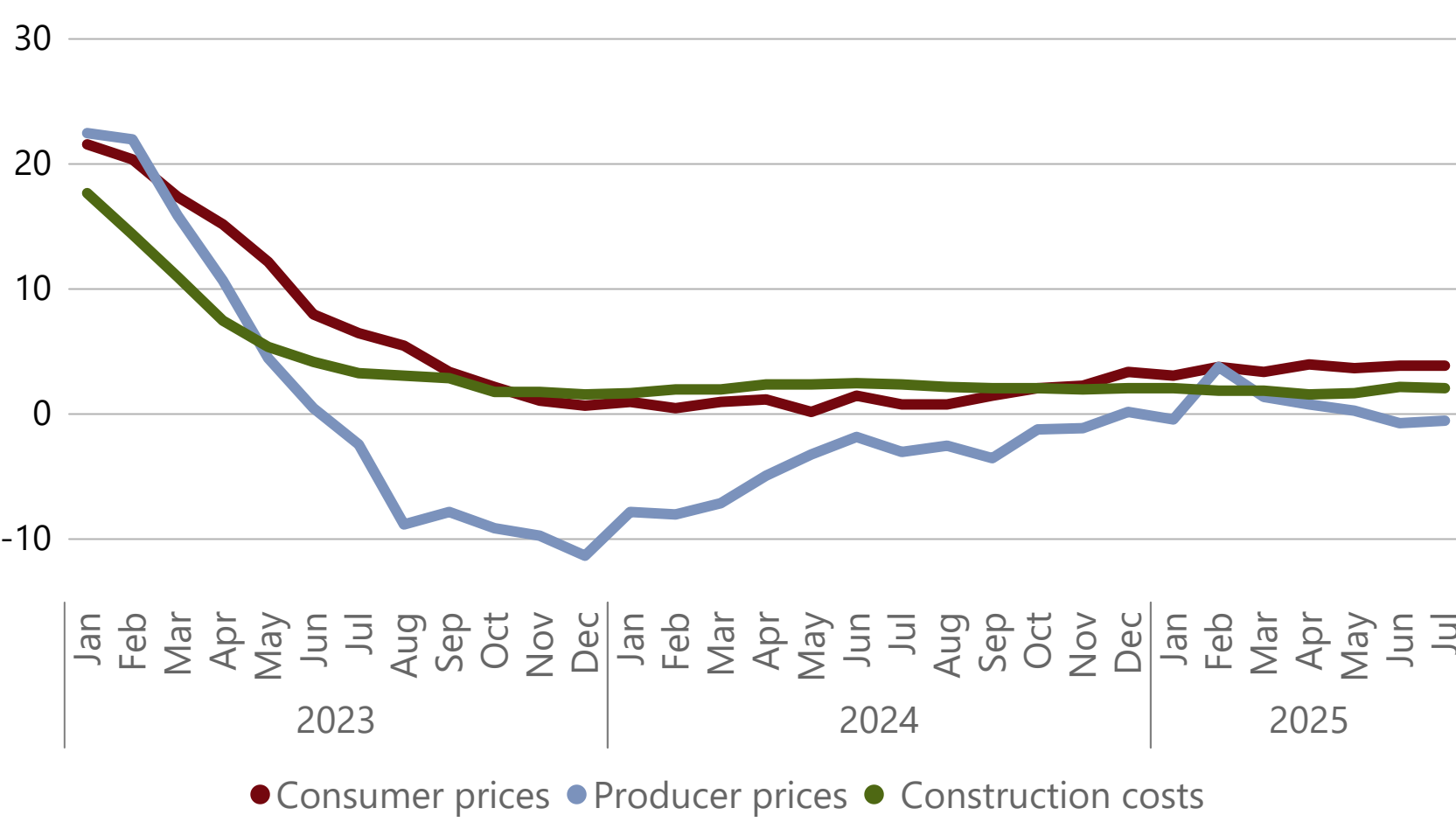
-0.6%

July 2025

Consumer prices, YoY%



Prices, YoY%



Source: CSB

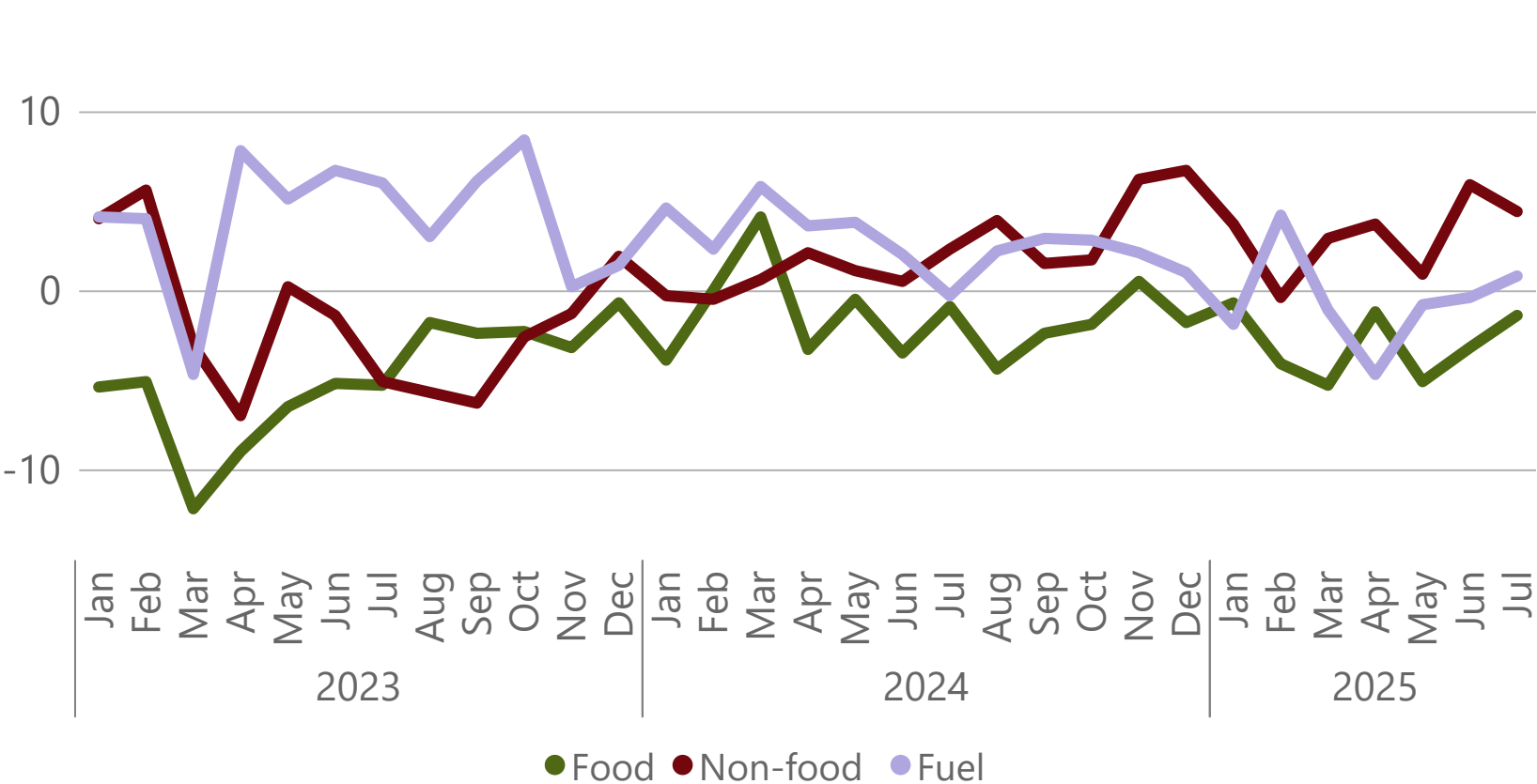
MAIN MACROECONOMIC INDICATORS

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

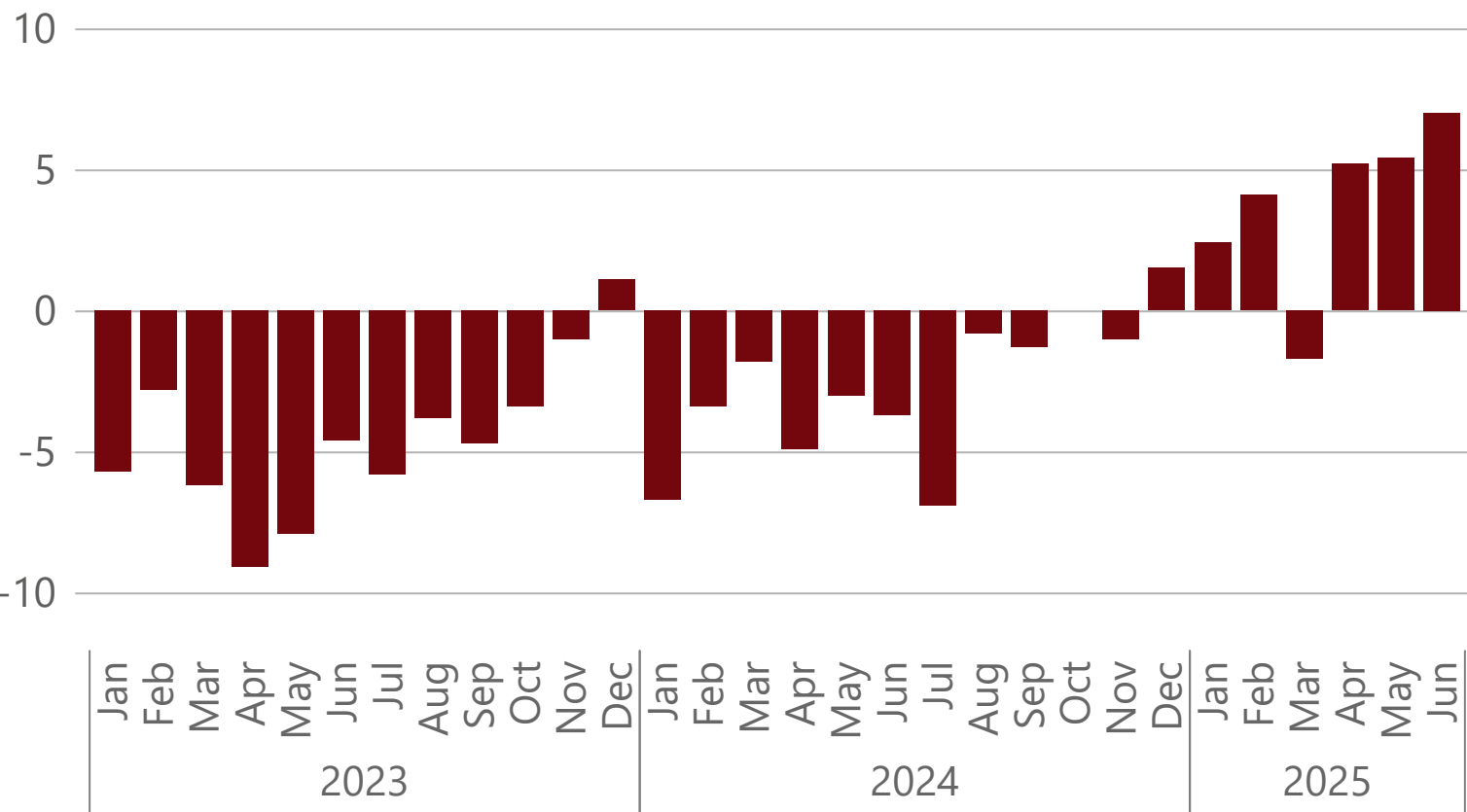
Source: CSB (16.04.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2025)

INDUSTRIES

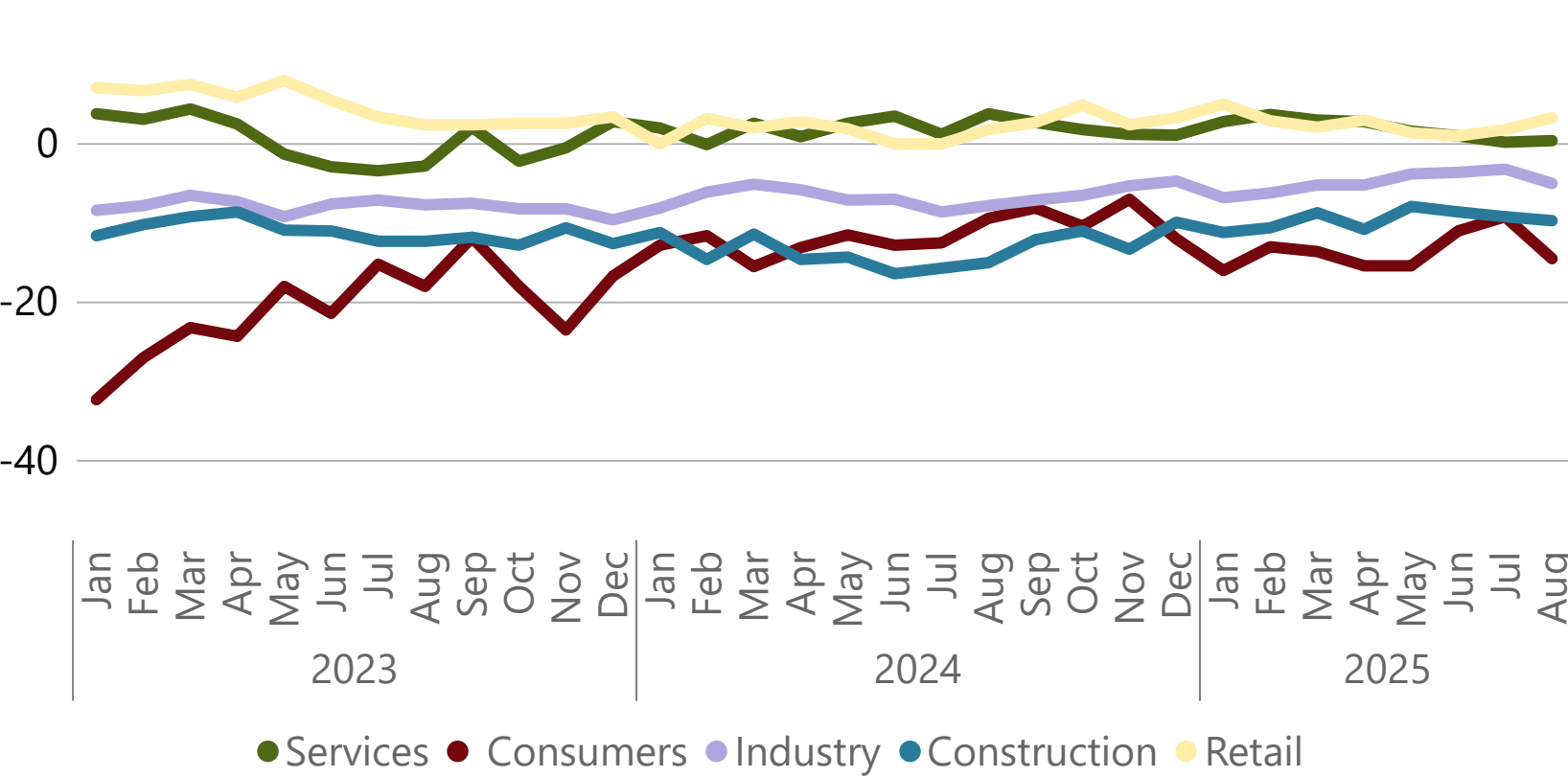
Retail trade growth, YoY%



Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

UNEMPLOYMENT

Registered unemployment

5.0%

July 2025

Labour force survey

6.5%

July 2025

Private sector

1 781€
(+8.3% YoY)

Q2 2025

WAGE

Public sector

1 886€
(+8.2% YoY)

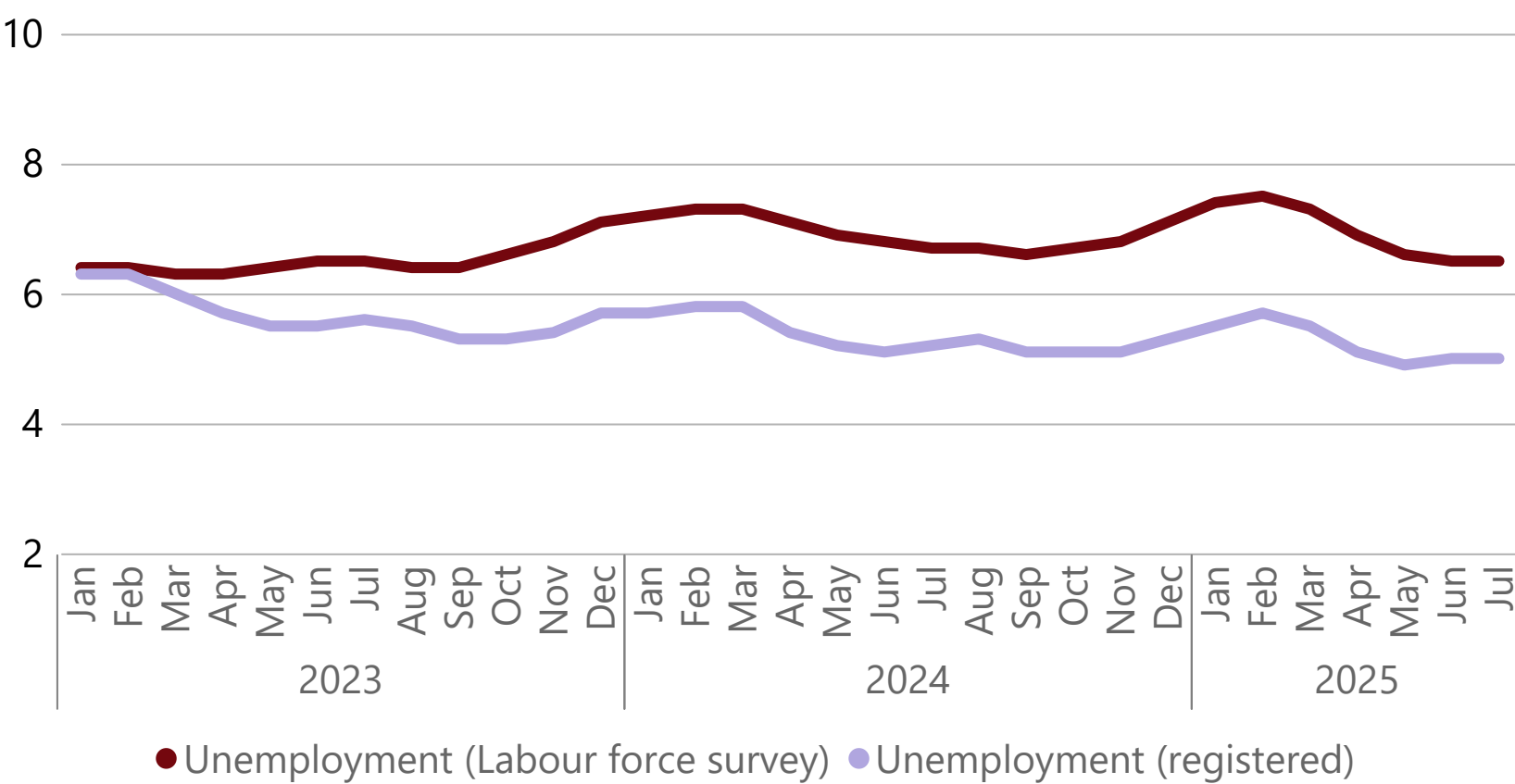
Q2 2025

Total

1 808€
(+8.2% YoY)

Q2 2025

Unemployment rate, %



GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-2.9% of GDP

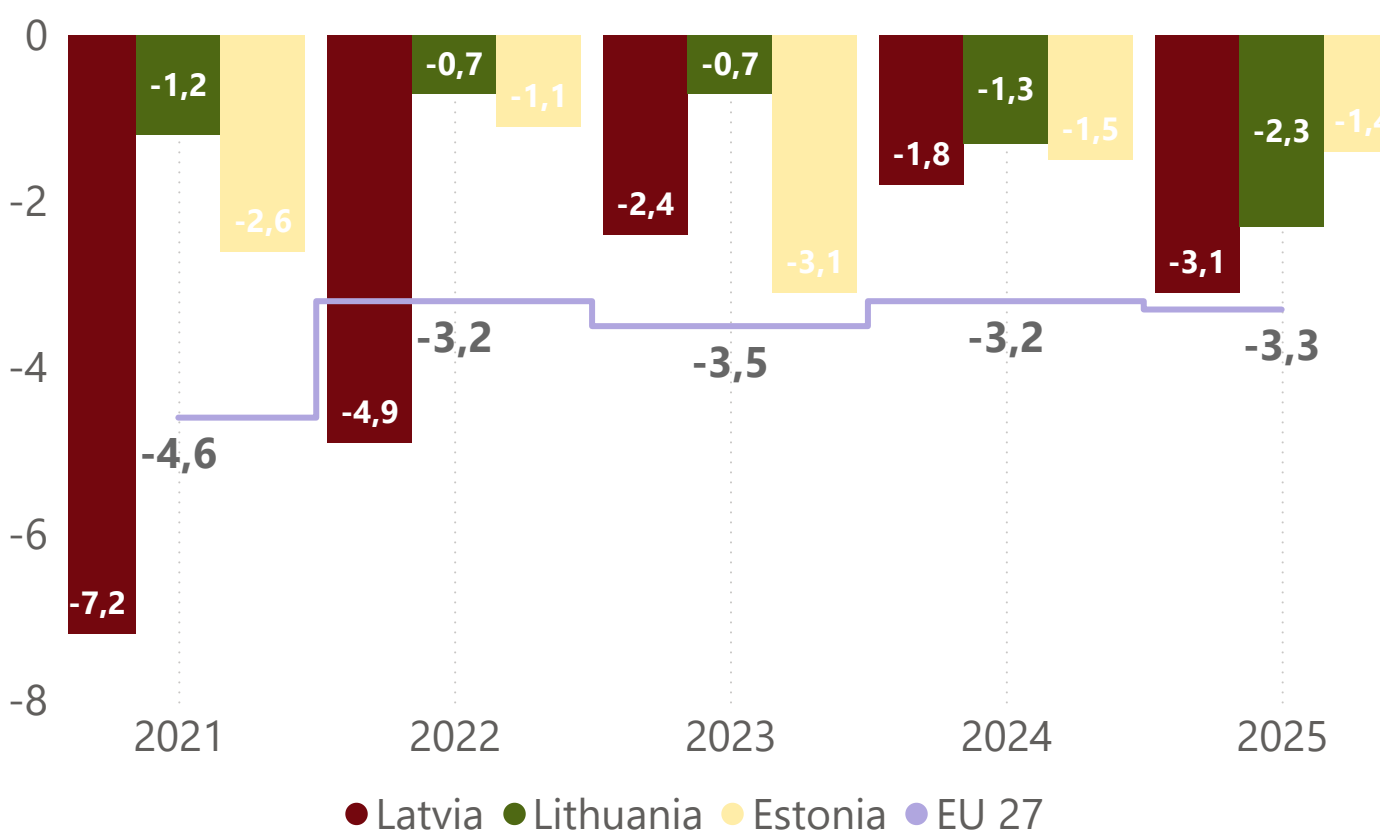
Forecast of MoF, August 2025

General government debt 2025

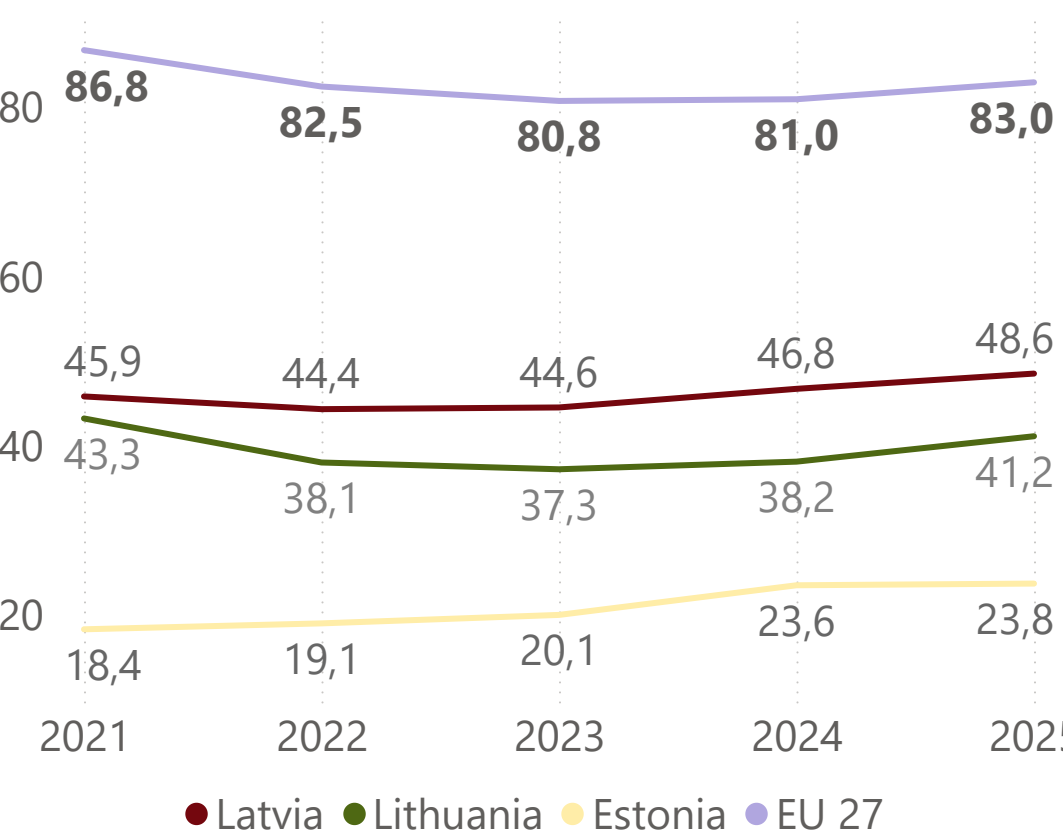
48.9% of GDP

Forecast of Treasury, August 2025

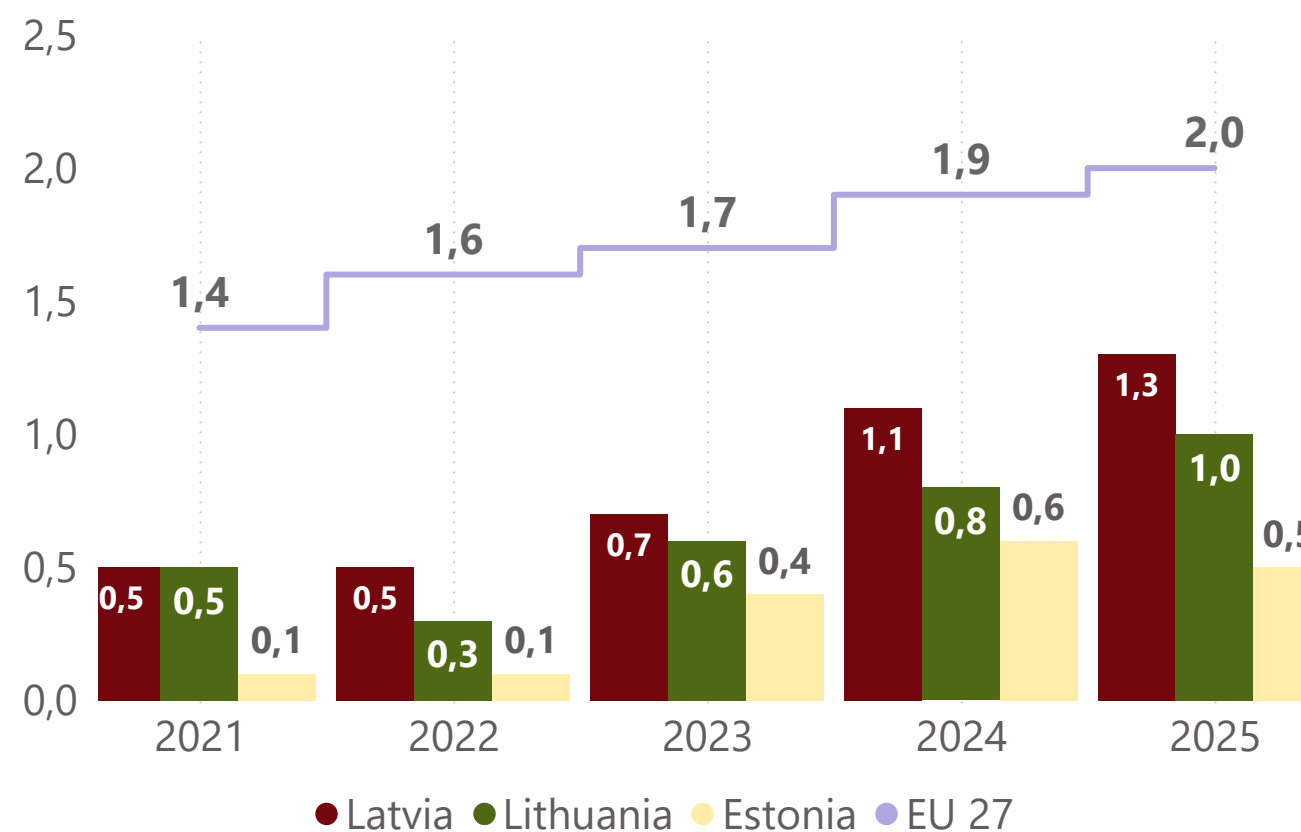
General government budget balance, % of GDP



General government debt, % of GDP



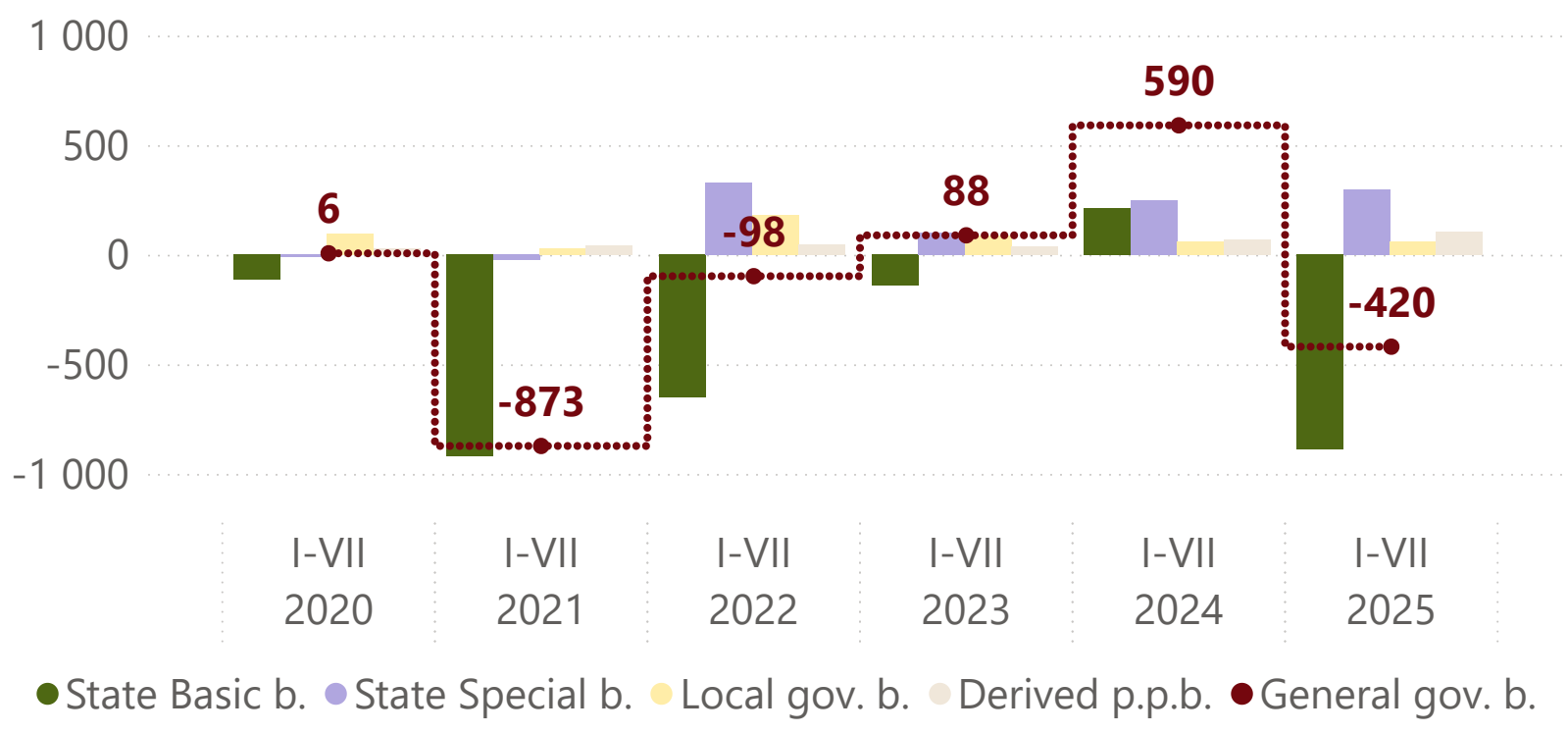
Interest expenditure (D.41), % of GDP



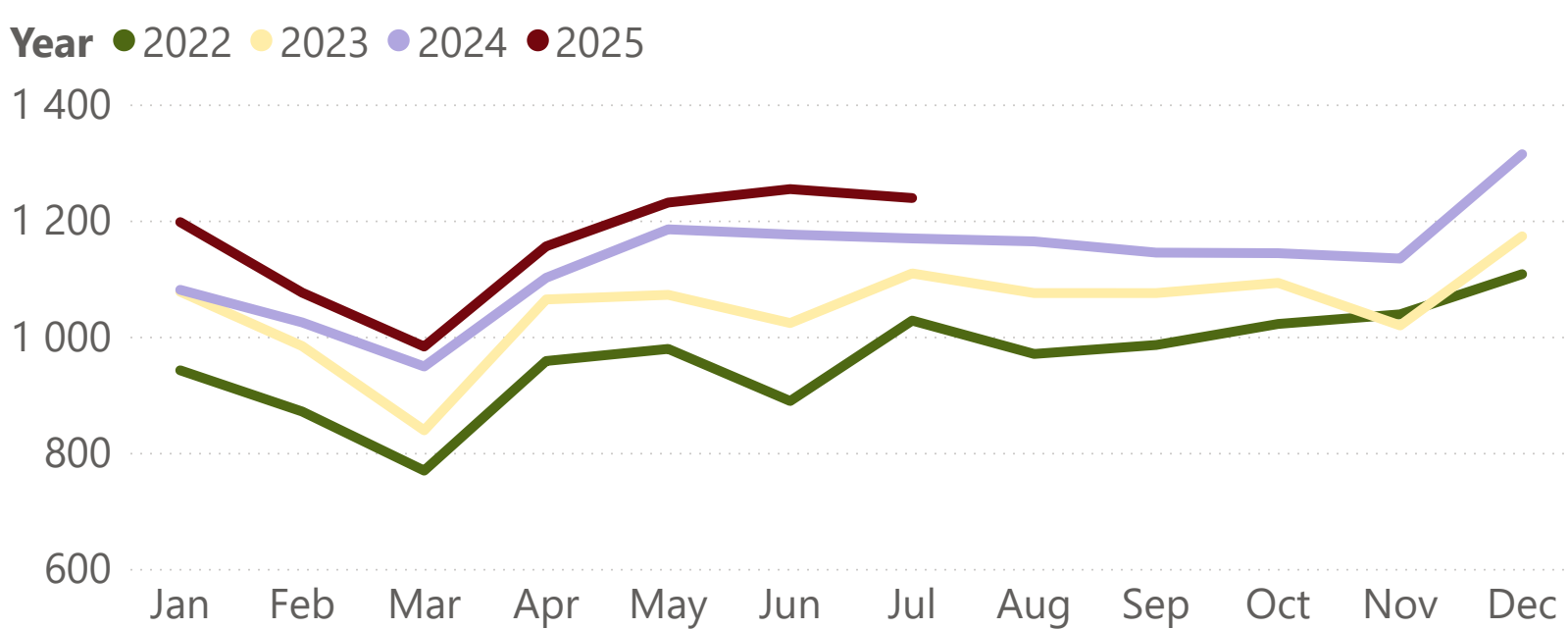
Source: Eurostat (2021-2024), AMECO forecast spring 2025

GENERAL GOVERNMENT BUDGET JANUARY-JULY 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-July 2025, including revenue in the single tax account (-106.3 mln €) and excluding SSC at the 2nd pension pillar (475.4 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue	10 354,1	-137,7	-1,3%
Expenditure	10 774,1	872,3	8,8%
Balance	-419,9	-1 00...	

General government budget tax revenue

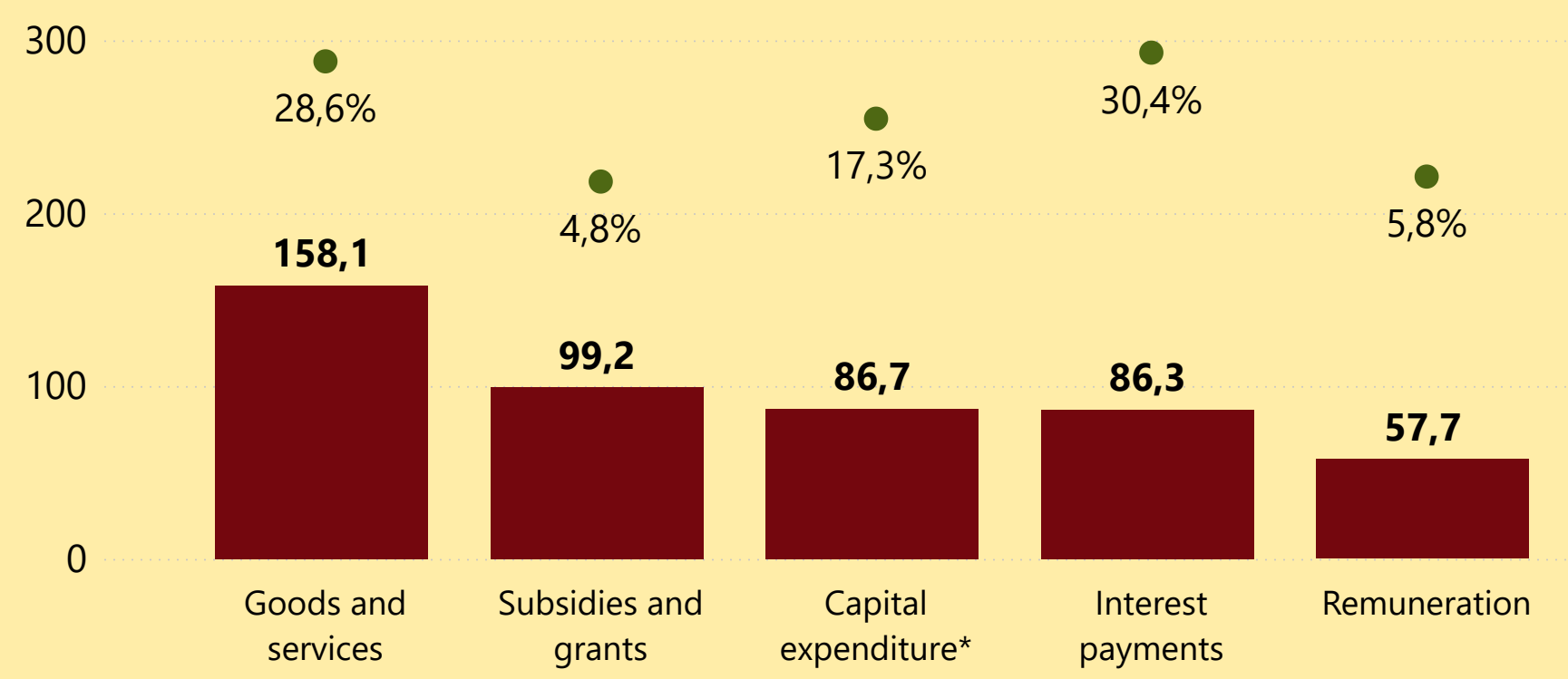
Tax type	Execution, mln €	YoY, mln €	YoY,%
SSC	2 783,3	203,8	7,9%
VAT	2 254,8	106,4	5,0%
PIT	1 536,2	16,6	1,1%
EXCISE	710,2	29,9	4,4%
CIT	548,4	51,8	10,4%

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue			
Tax revenue	8 133,8	450,4	5,9%
Non tax revenue	800,0	-105,9	-11,7%
Self-earned revenue	331,7	18,6	5,9%
Foreign financial assistance	1 087,6	-500,7	-31,5%
Expenditure			
Remuneration	2 464,9	135,9	5,8%
Goods and services	1 252,3	172,6	16,0%
Interest payments	353,5	60,9	20,8%
Subsidies and grants	2 330,8	104,3	4,7%
Social support	3 211,9	204,0	6,8%
Payments to EU budget	233,3	13,5	6,1%
Capital expenditure	887,2	202,7	29,6%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	6 034,5	-367,0	-5,7%
Expenditure	6 921,7	732,9	11,8%
Balance	-887,1	-1 099,9	

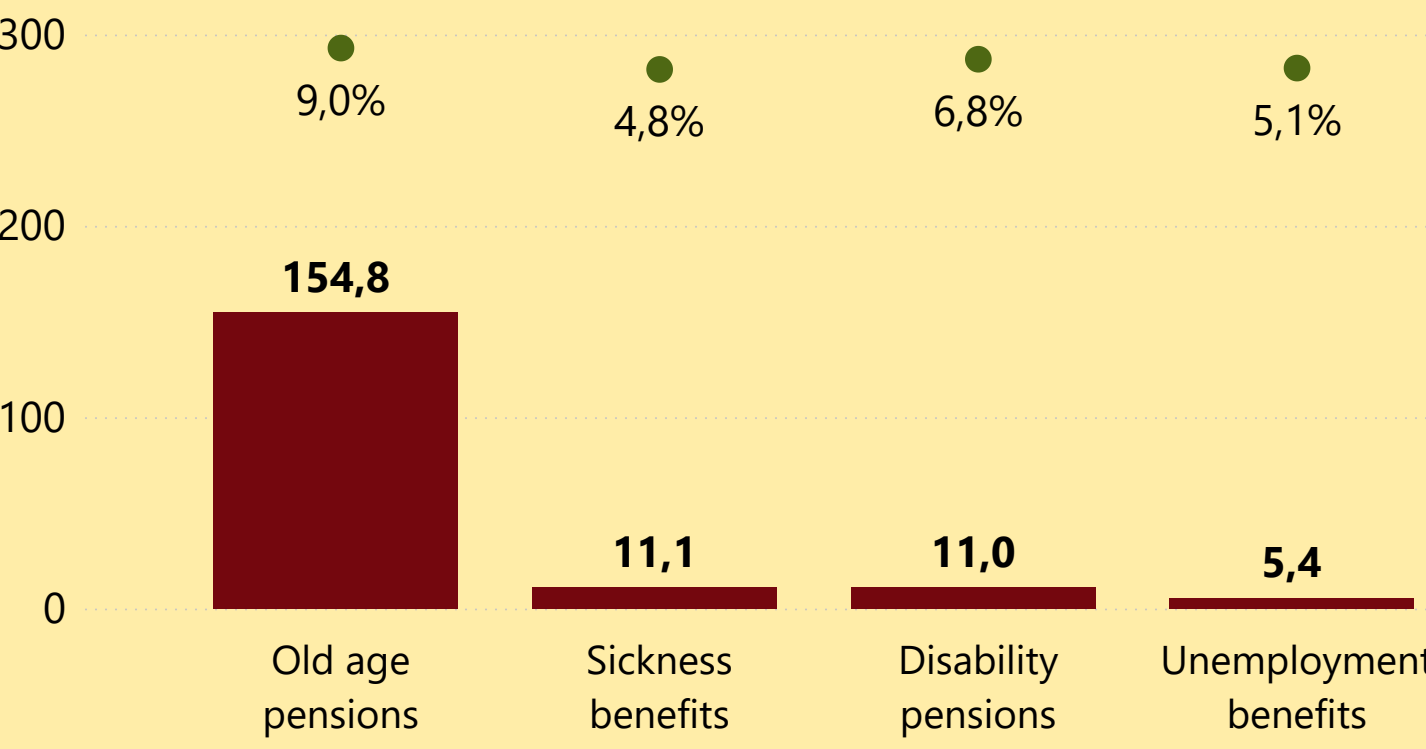
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 970,7	244,7	9,0%
Expenditure	2 671,5	195,6	7,9%
Balance	299,2	49,1	

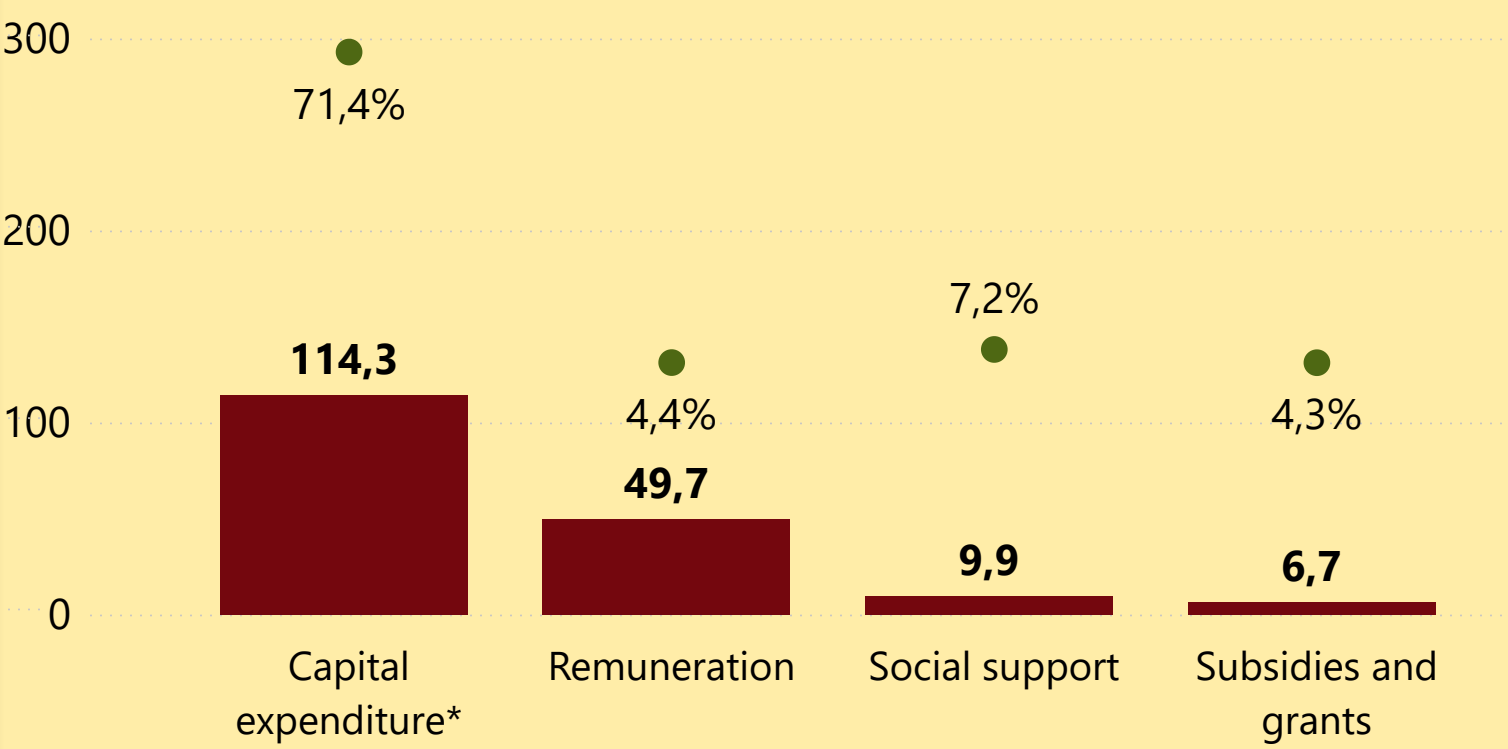
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 353,3	177,5	8,2%
Expenditure	2 291,7	174,1	8,2%
Balance	61,6	3,4	

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

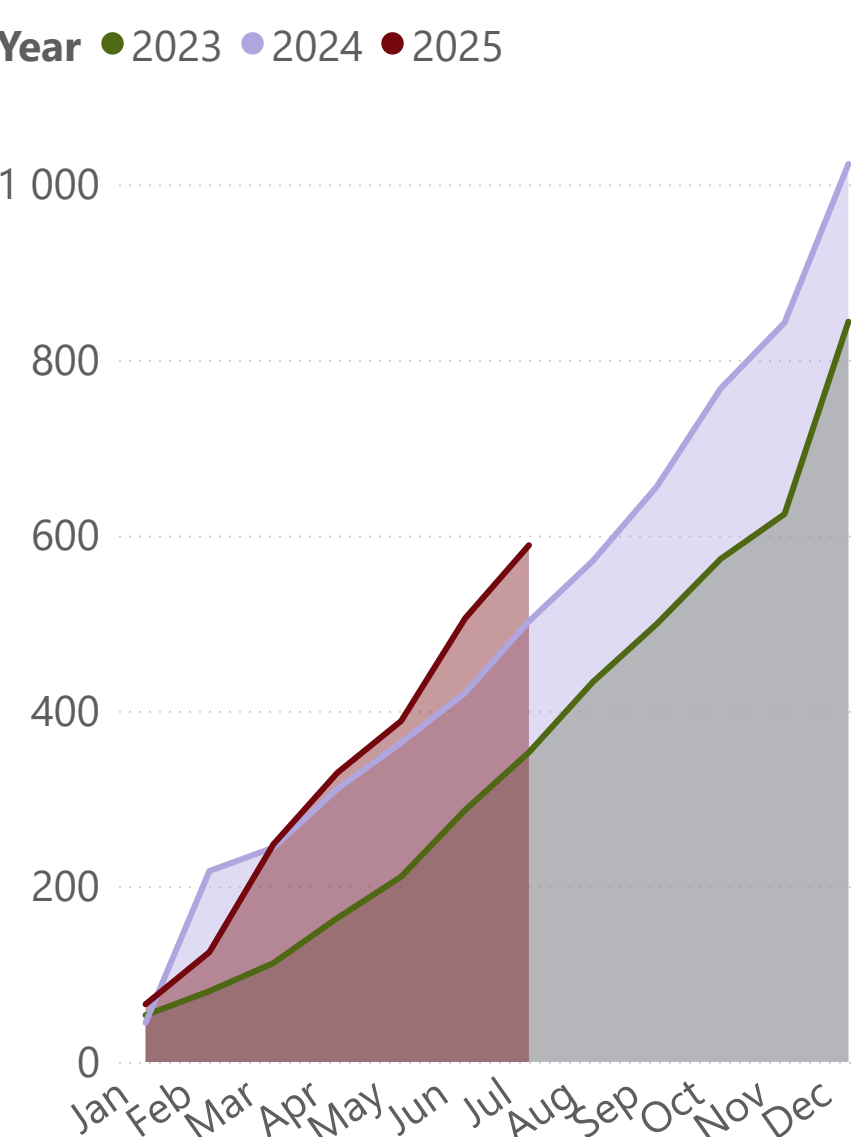


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

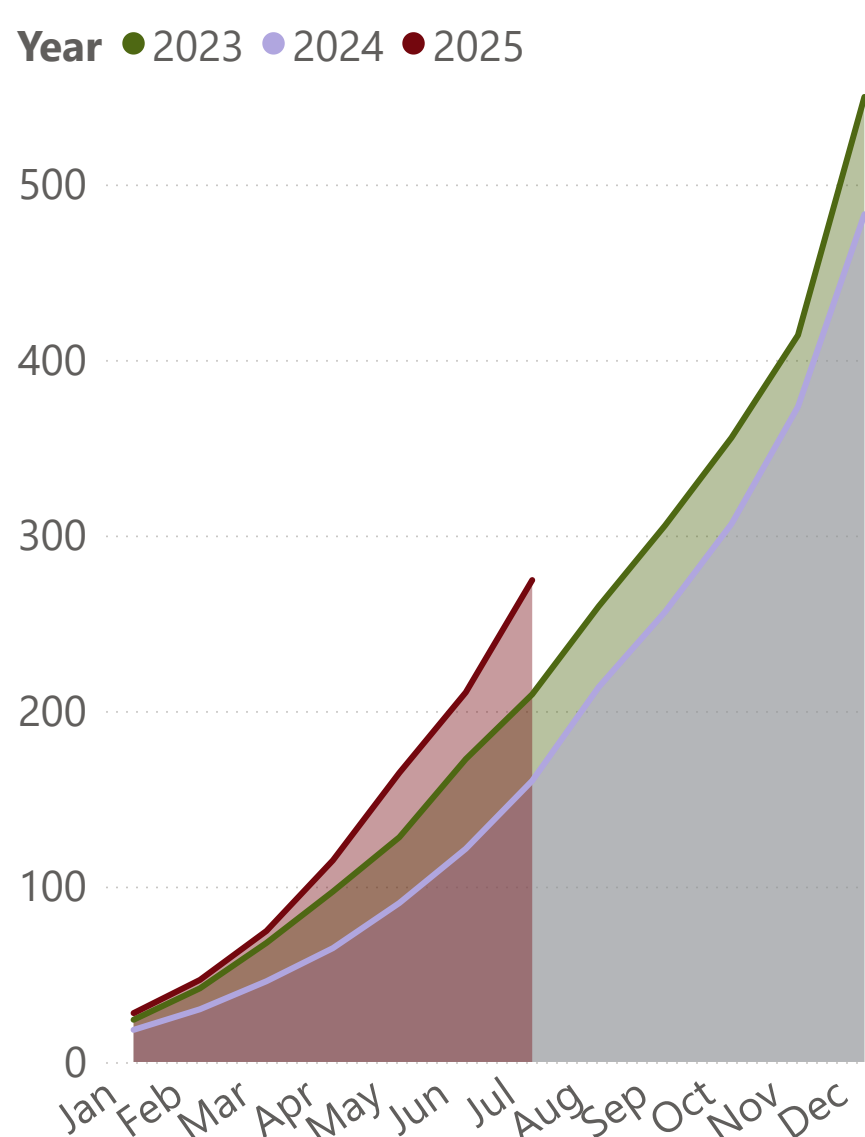
YoY - changes in mln euro against respective period year before; YoY% - changes in per cent against respective period year before

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

424 876
(+0.2% YoY)
July 2025

Unemployment benefit recipients

29 747
(-6.9% YoY)
July 2025

Old-age pensions average amount

614€
(+11.9% YoY)
July 2025

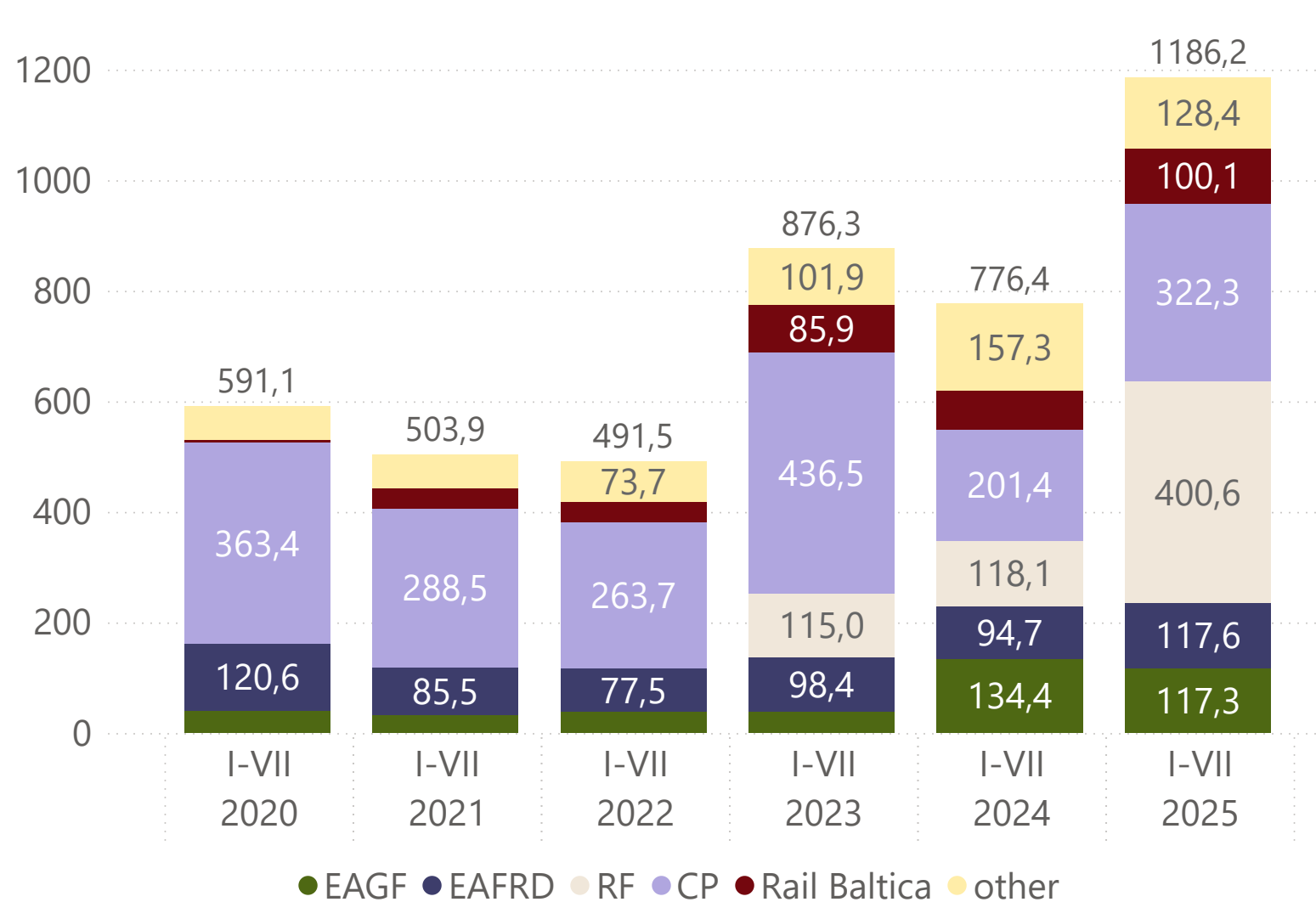
Unemployment benefit average amount

502€
(+9.7% YoY)
July 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; EA FRD - European Agricultural Fund for Rural Development

Source: State Treasury