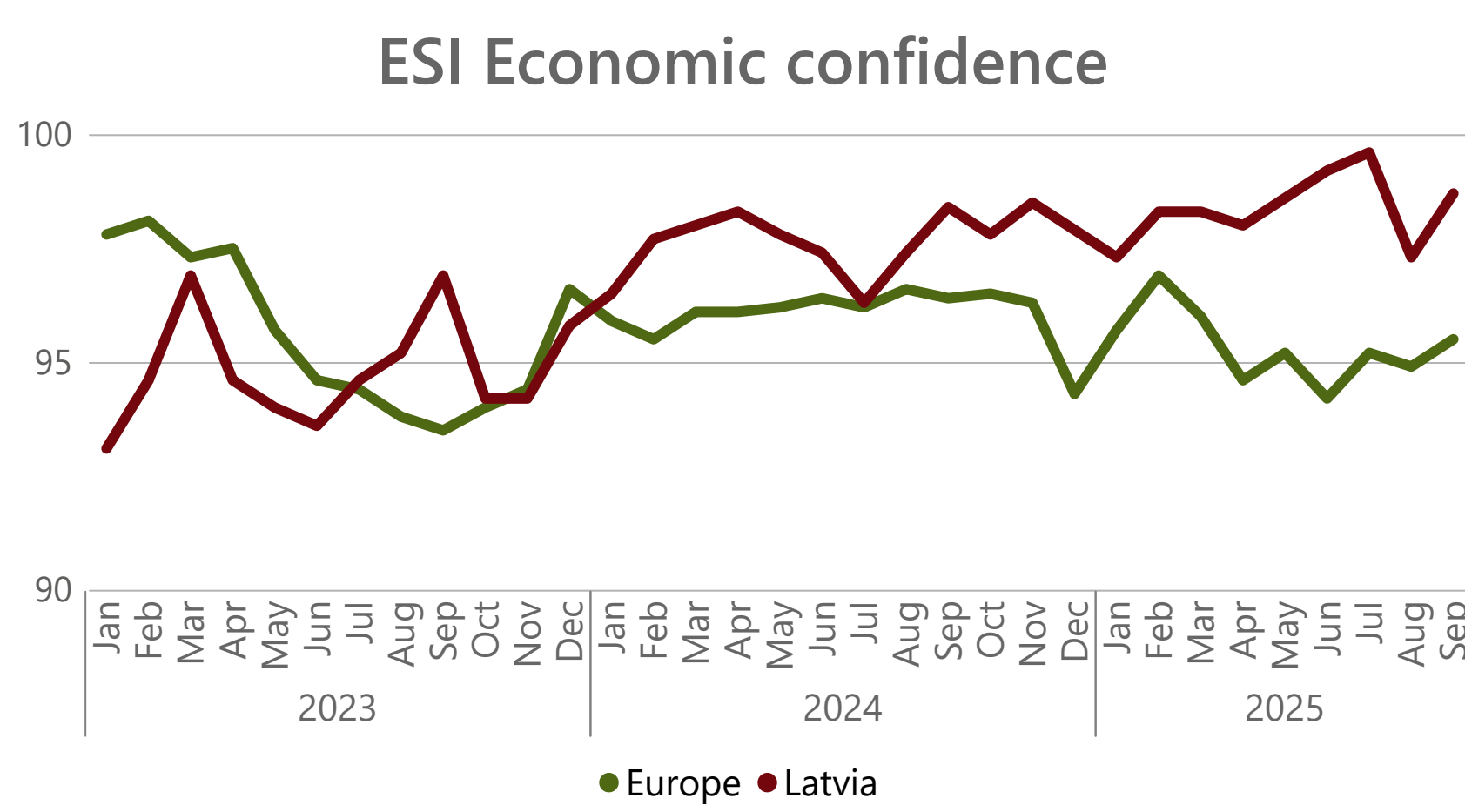
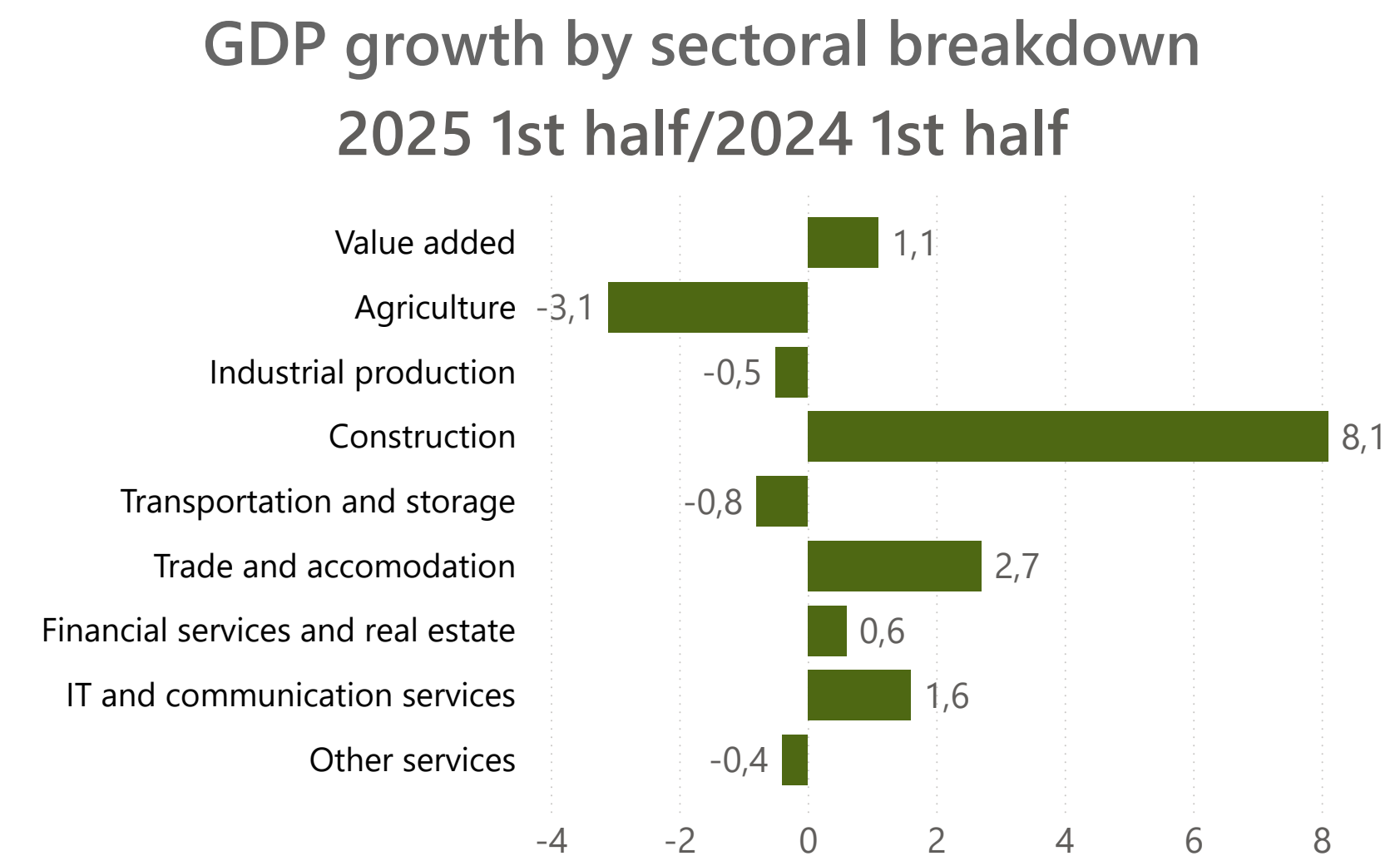


MACROECONOMIC AND BUDGETARY REVIEW 2025

No 8

GROSS DOMESTIC PRODUCT (GDP)

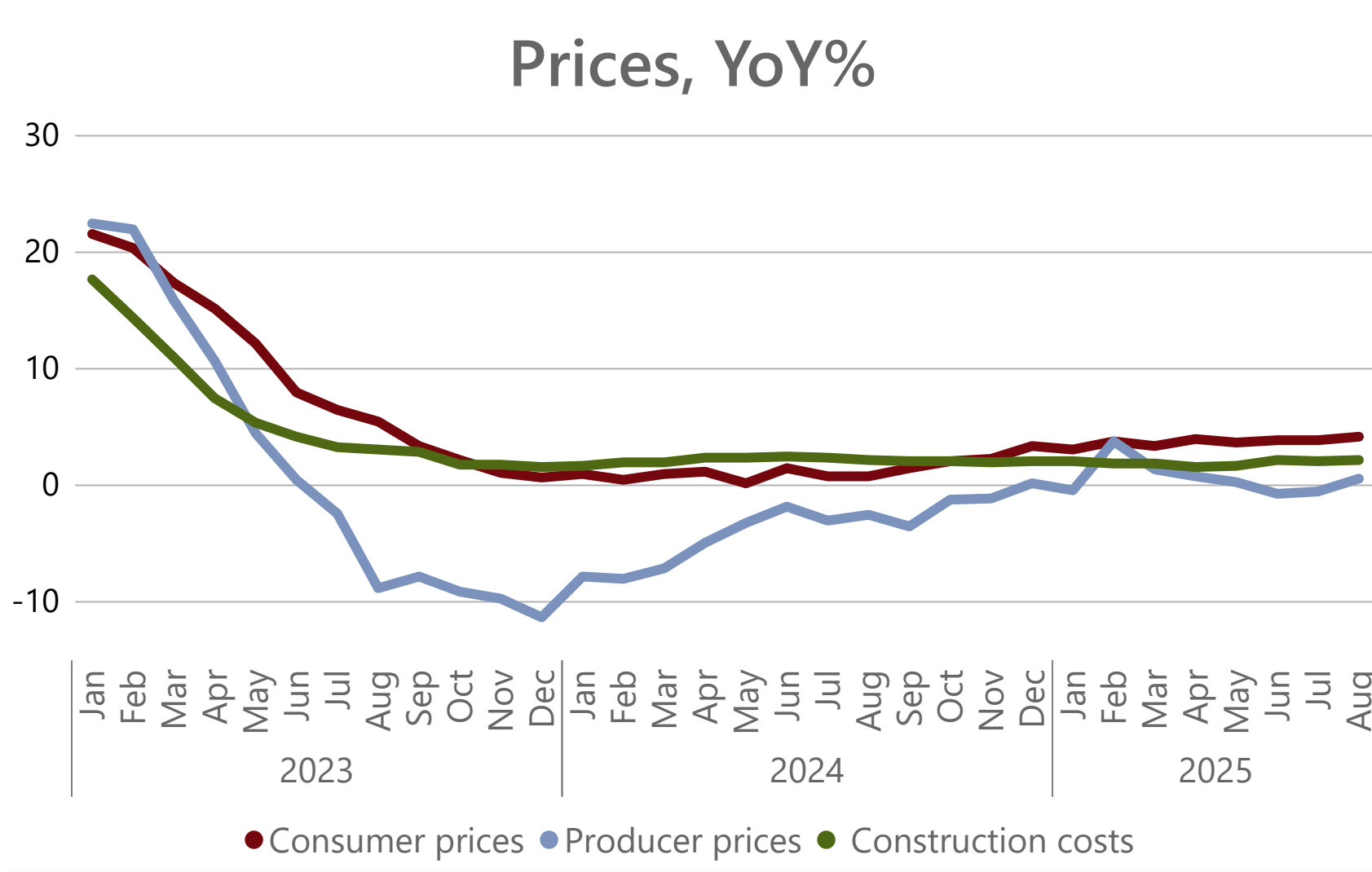
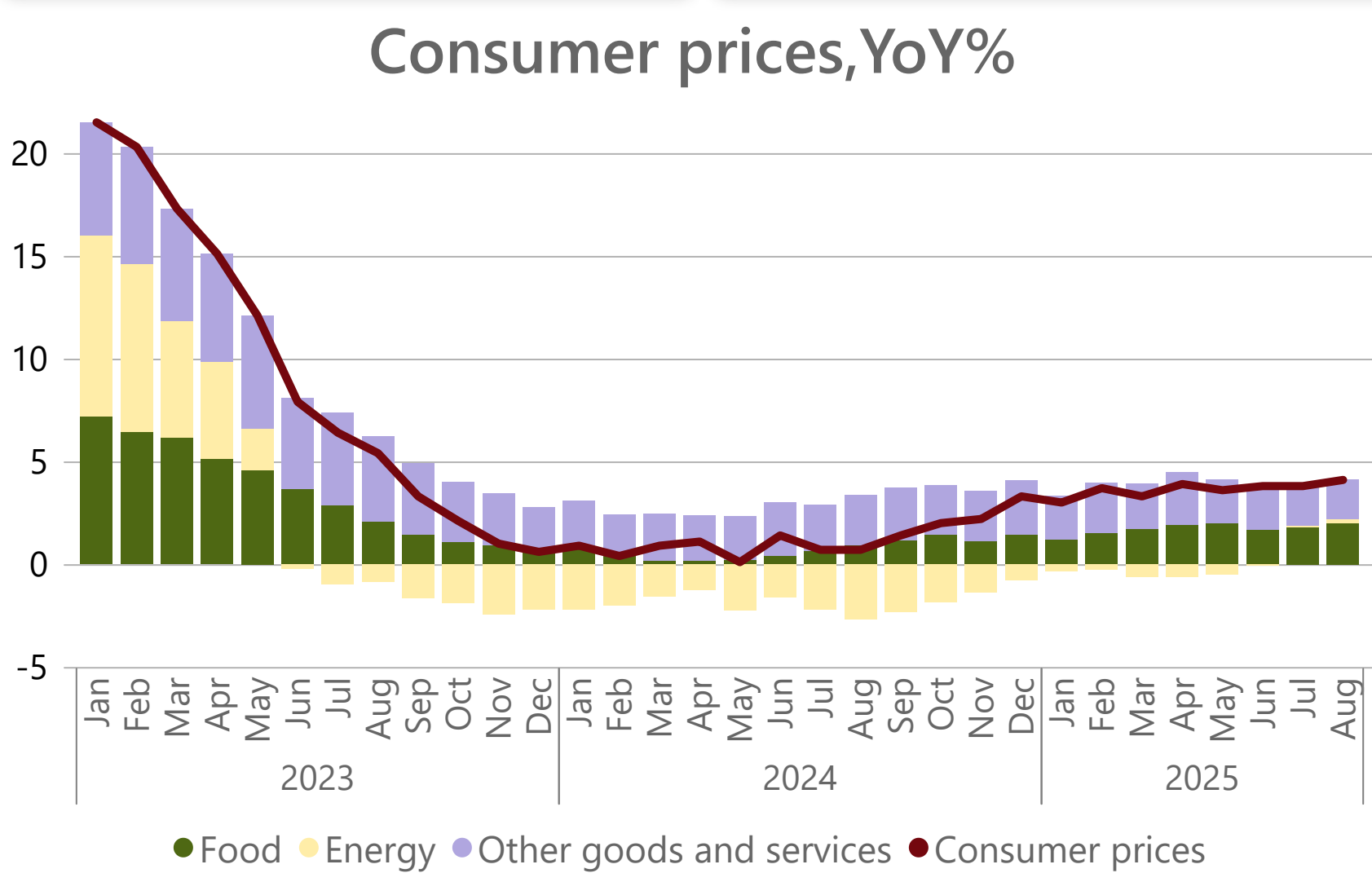
GDP 2024	GDP growth 2025
40 359 mln €	1.1%
CSB, 30.09.2025	MoF forecast, June 2025



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

INFLATION

Inflation	Producer price rise
4.1%	0.5%
August 2025	August 2025



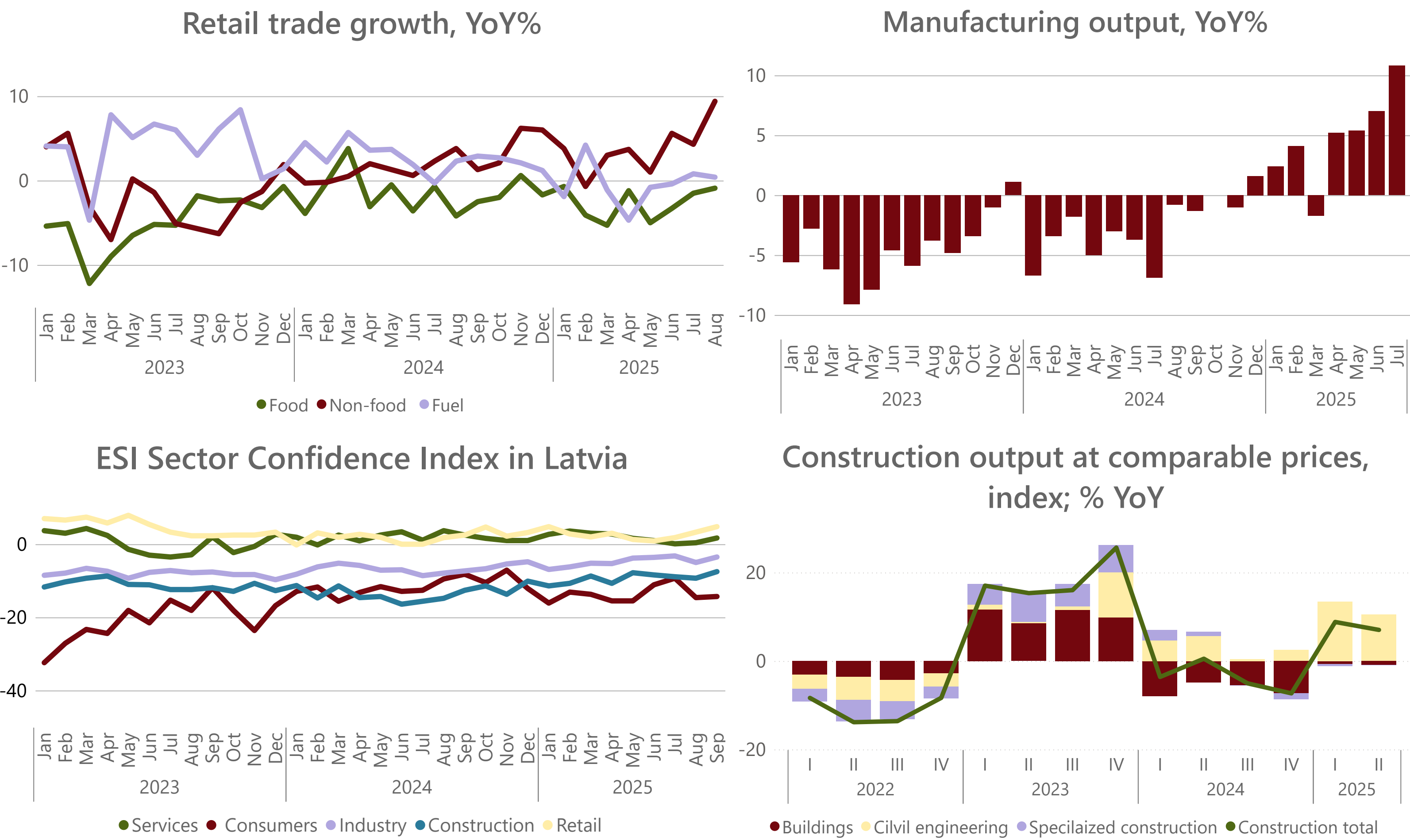
Source: CSB

MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024	2025*	2026*	2027*	2028*
Nominal GDP, billions euro	29,6	29,2	32,3	36,1	39,6	40,4	42	44	46	48,2
Nominal GDP growth, %	5	-1,2	10,5	11,8	9,6	2	4,4	4,7	4,7	4,6
Real GDP growth, %	0,7	-3,5	6,9	1,9	-0,9	0	1,1	2,1	2,2	2,2
GDP deflator, % change	4,3	2,4	3,3	9,7	10,7	2,1	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 (30.09.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2025)

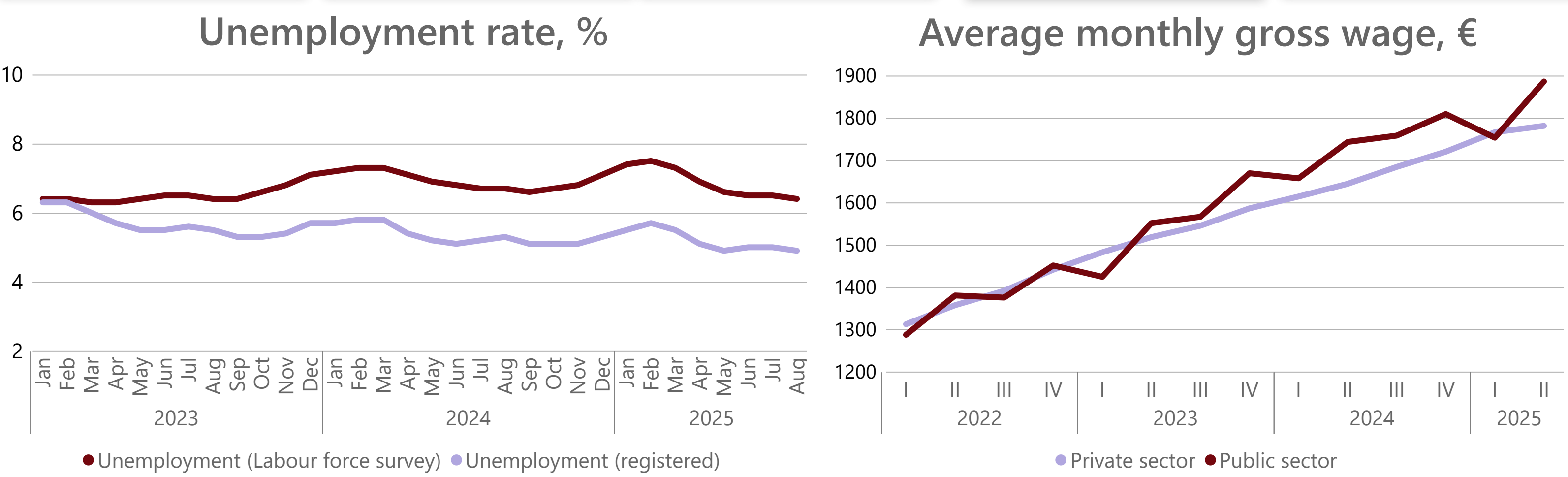
INDUSTRIES



Source: CSB, European Commission

UNEMPLOYMENT

Registered unemployment	Labour force survey	Private sector	Public sector	Total
4.9%	6.4%	1 781€ (+8.3% YoY)	1 886€ (+8.2% YoY)	1 808€ (+8.2% YoY)
August 2025	August 2025	Q2 2025	Q2 2025	Q2 2025



GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-2.9% of GDP

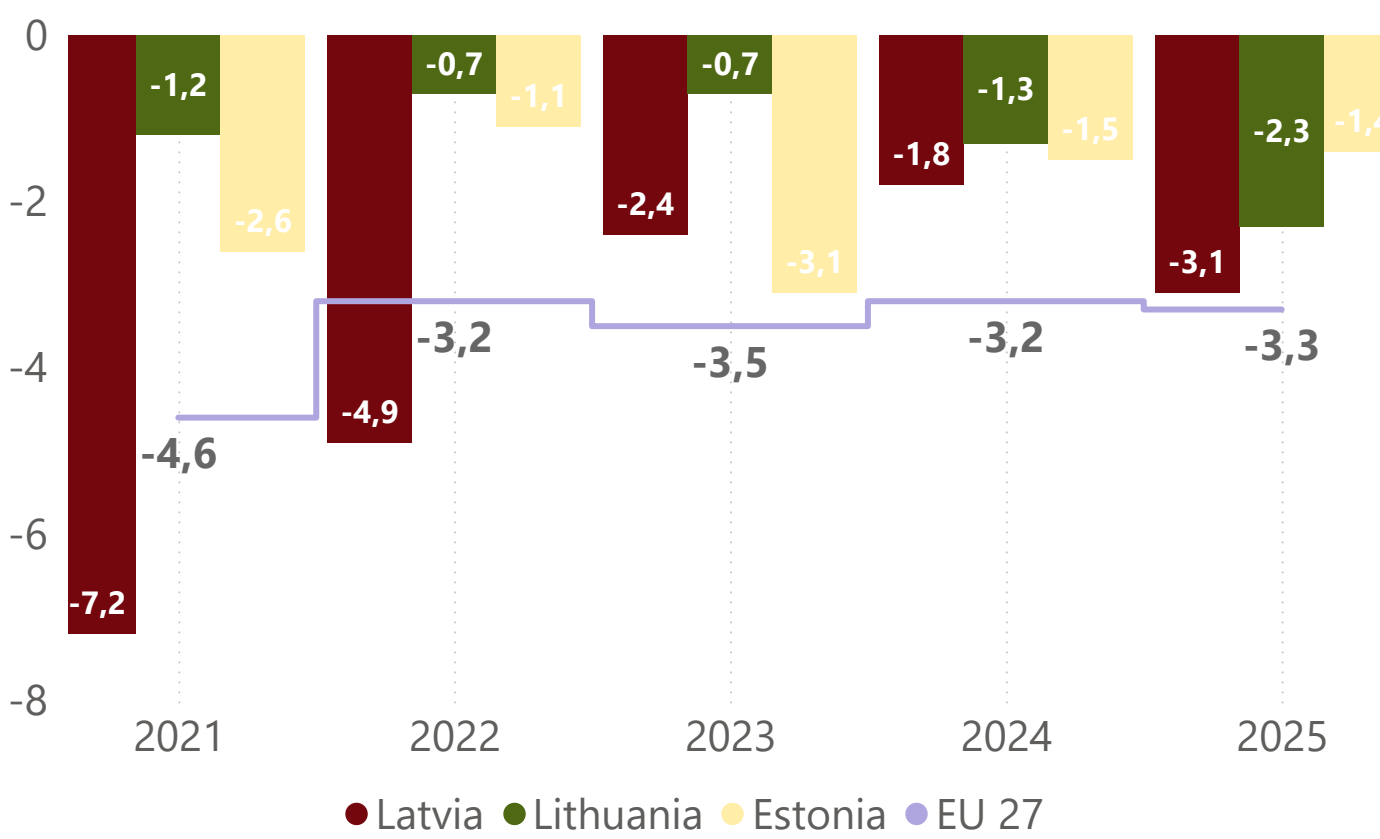
Forecast of MoF, August 2025

General government debt 2025

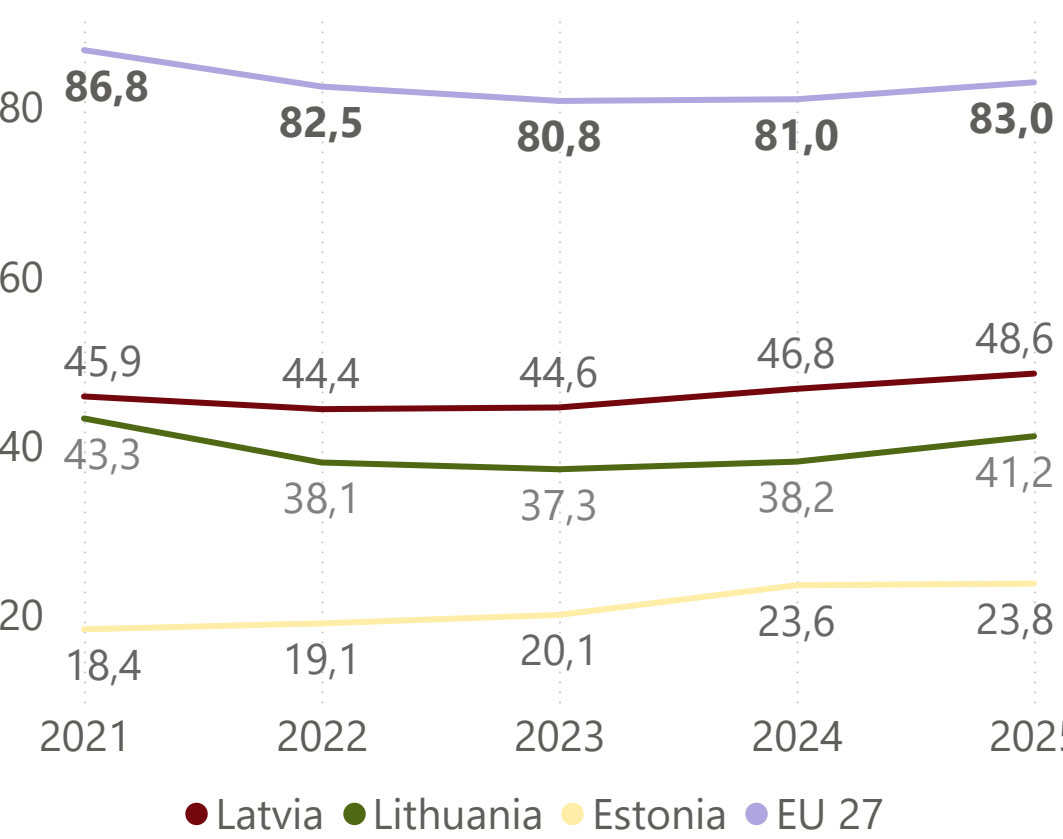
48.9% of GDP

Forecast of Treasury, August 2025

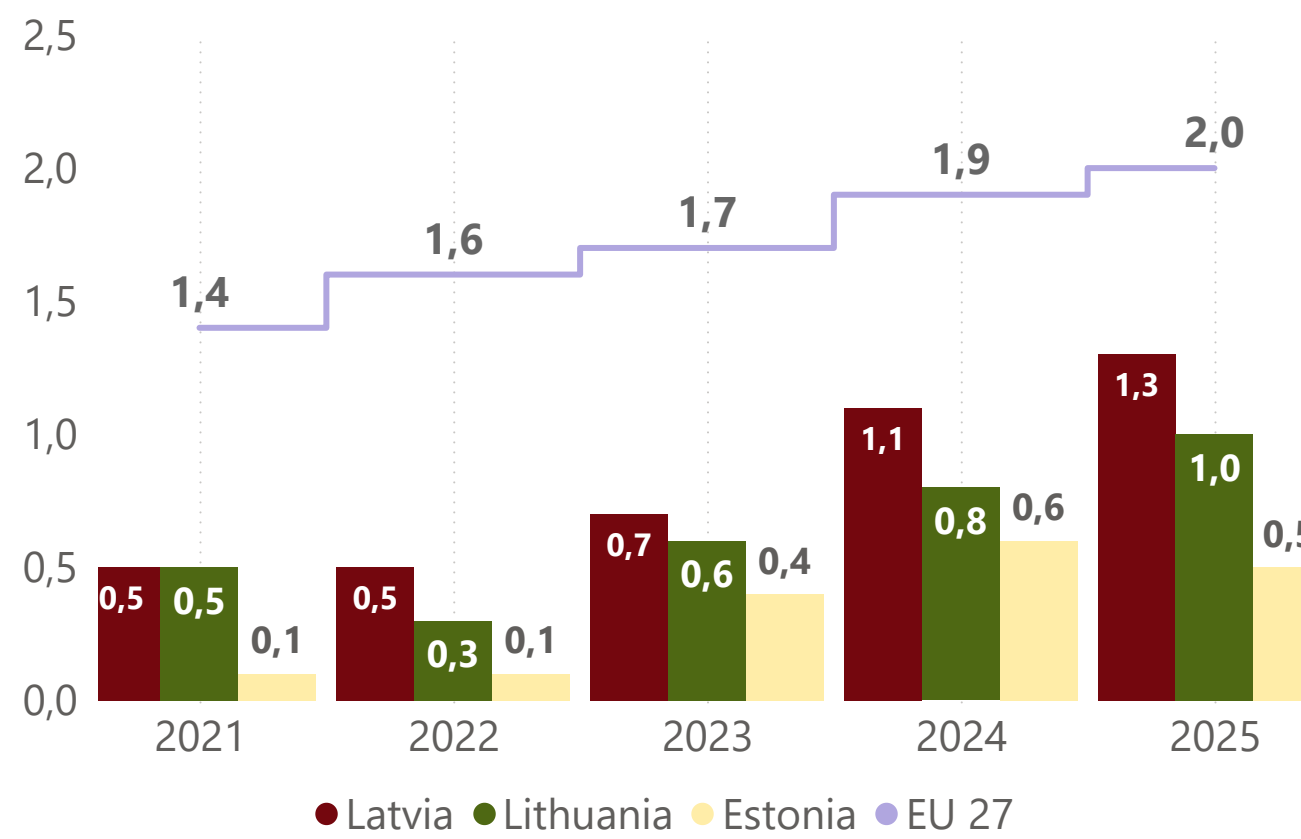
General government budget balance, % of GDP



General government debt, % of GDP



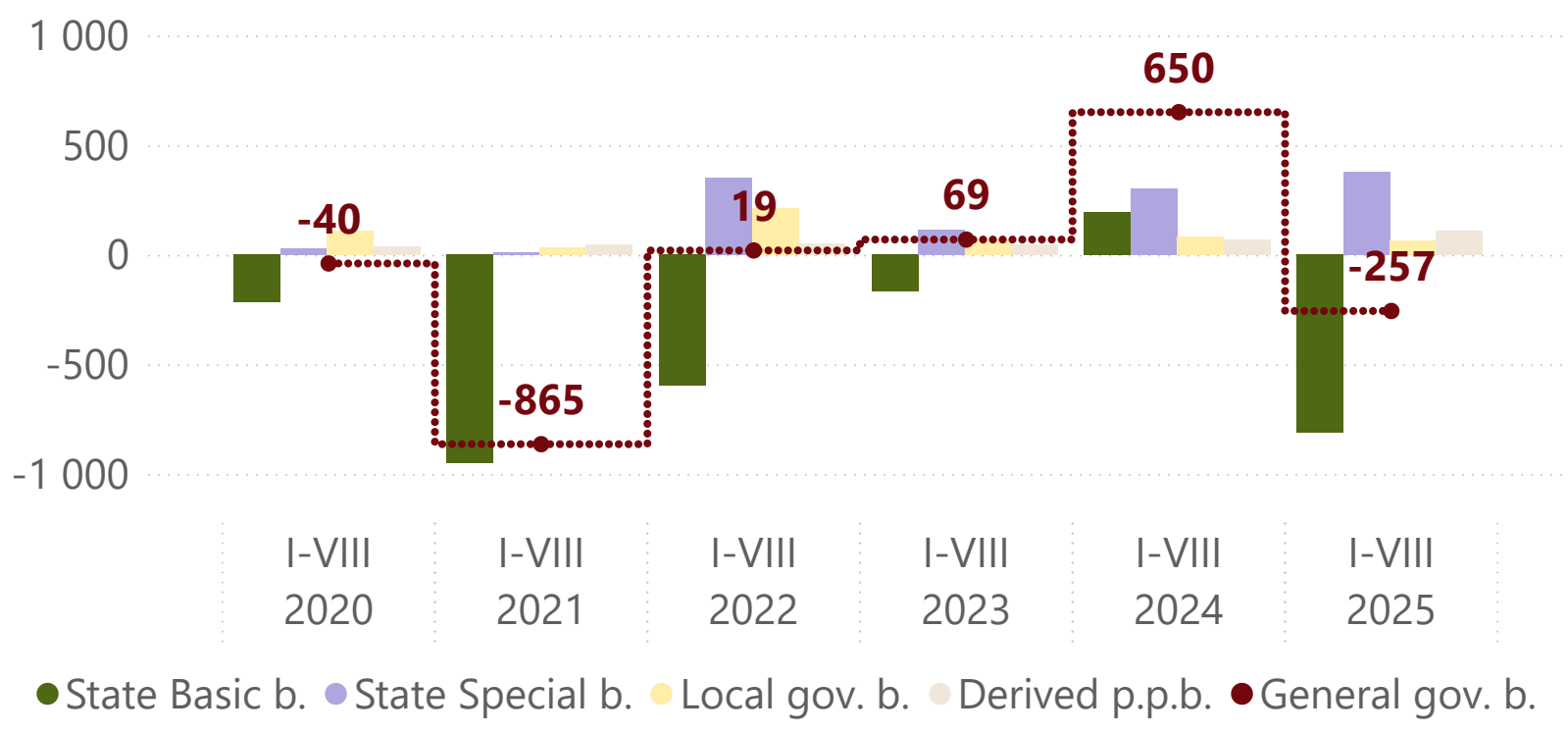
Interest expenditure (D.41), % of GDP



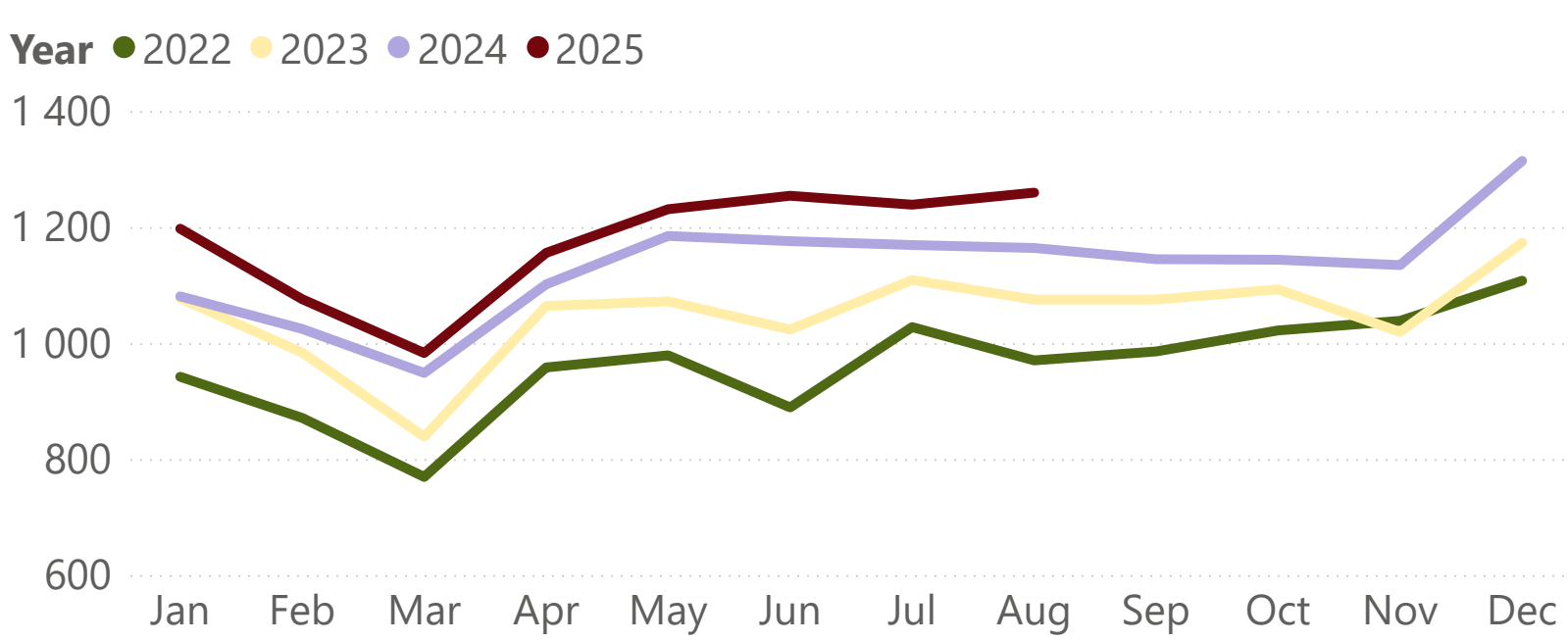
Source: Eurostat (2021-2024), AMECO forecast spring 2025

GENERAL GOVERNMENT BUDGET JANUARY-AUGUST 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-August 2025, including revenue in the single tax account (-107.6 mln €) and excluding SSC at the 2nd pension pillar (540.2 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 964,6	98,1	0,8%
Expenditure	12 221,6	1 005,2	9,0%
Balance	-257,0	-907,1	

General government budget tax revenue

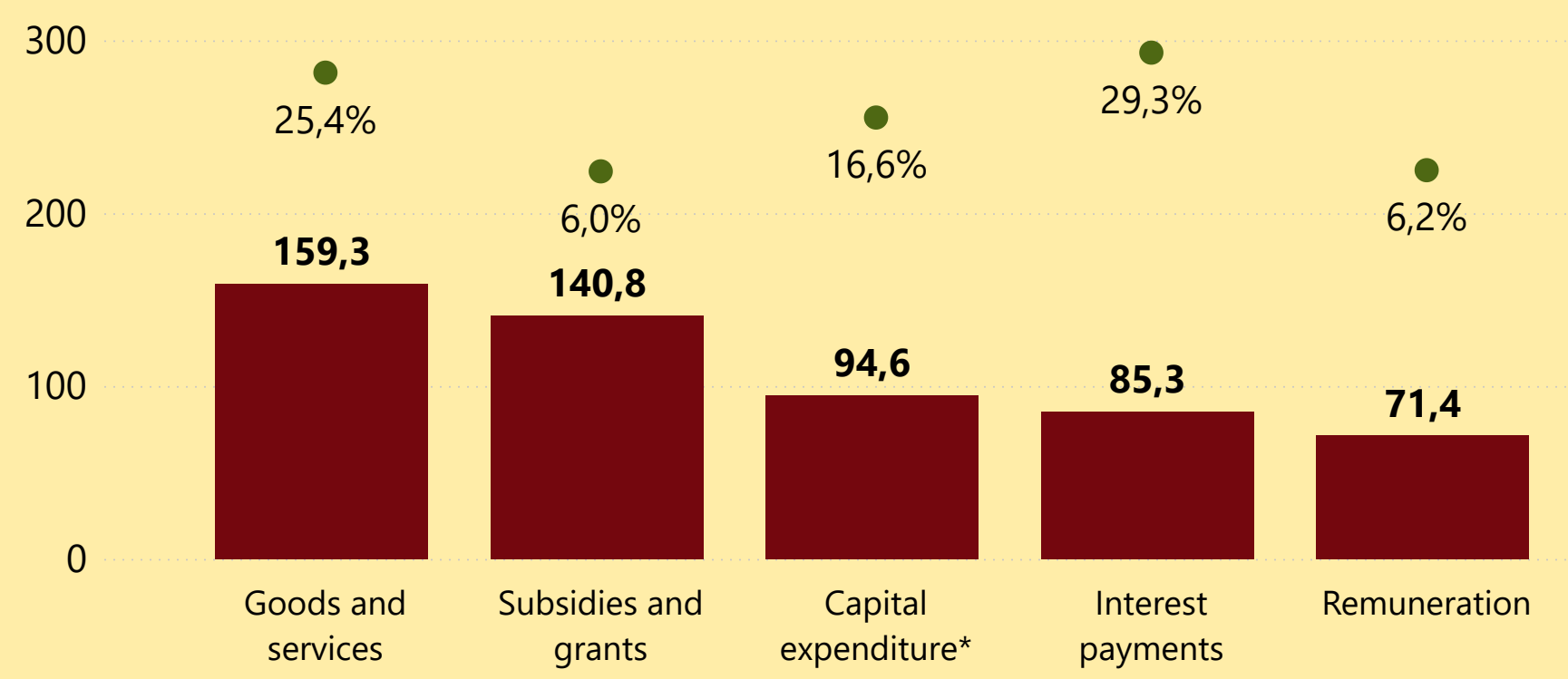
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	3 201,9	244,5	8,3%
VAT	2 617,0	133,4	5,4%
PIT	1 793,9	10,0	0,6%
EXCISE	824,7	34,9	4,4%
CIT	580,1	46,3	8,7%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	9 393,0	545,8	6,2%
Non tax revenue	891,3	-71,3	-7,4%
Self-earned revenue	400,9	34,1	9,3%
Foreign financial assistance	1 277,7	-410,8	-24,3%
Expenditure			
Remuneration	2 784,6	162,3	6,2%
Goods and services	1 401,8	179,8	14,7%
Interest payments	361,4	59,3	19,6%
Subsidies and grants	2 669,2	146,8	5,8%
Social support	3 657,5	235,1	6,9%
Payments to EU budget	264,0	13,1	5,2%
Capital expenditure	1 031,5	221,5	27,3%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	6 935,1	-181,9	-2,6%
Expenditure	7 746,6	826,6	11,9%
Balance	-811,6	-1 008,5	

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



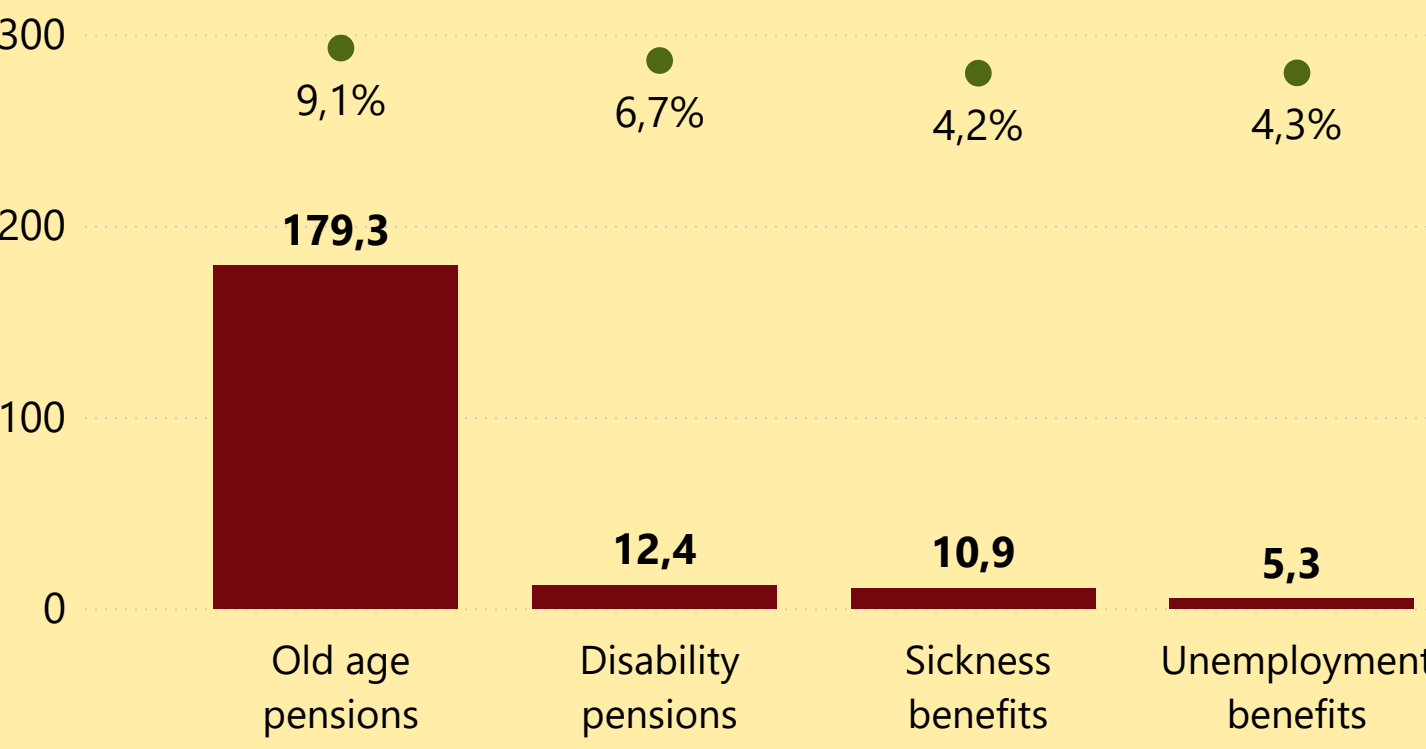
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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	3 427,8	300,4	9,6%
Expenditure	3 049,5	223,0	7,9%
Balance	378,2	77,4	

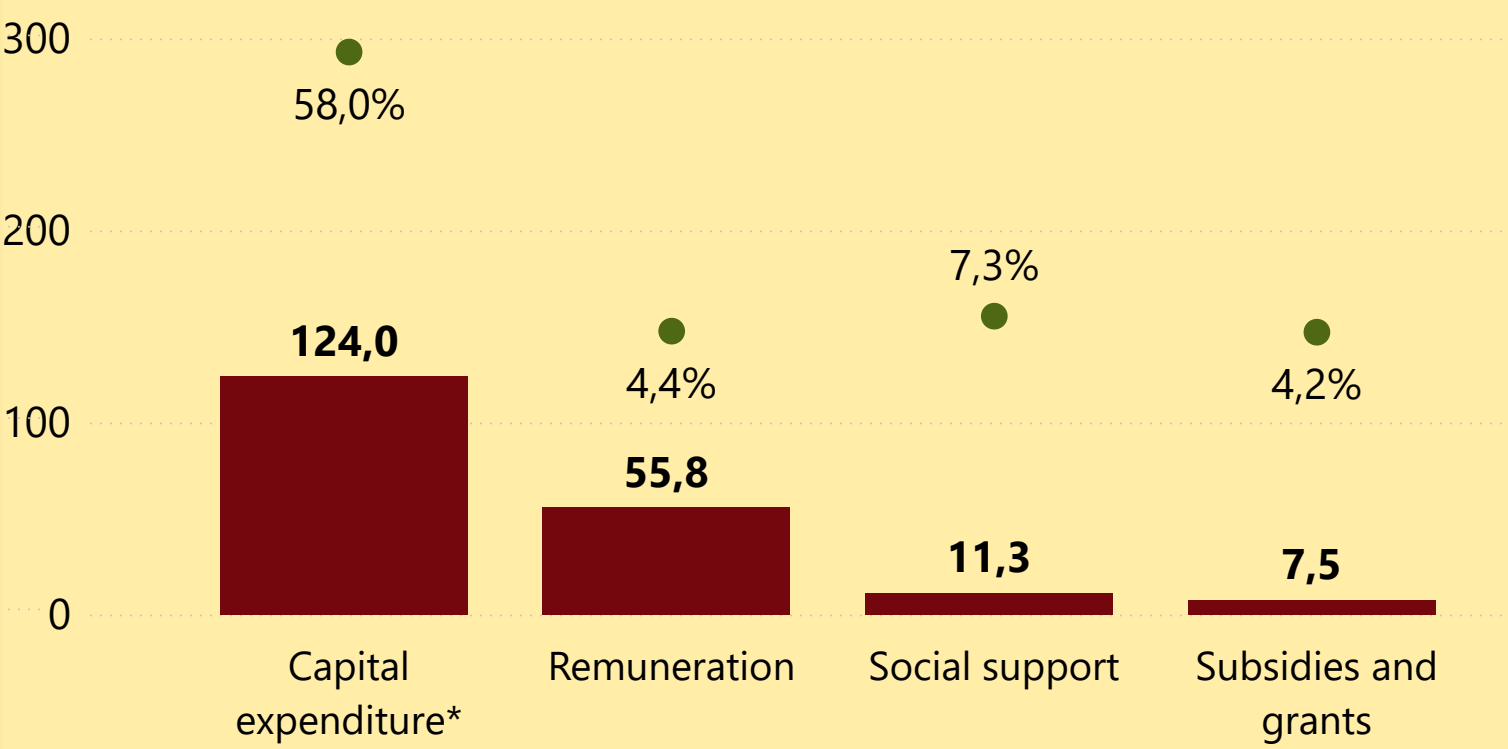
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

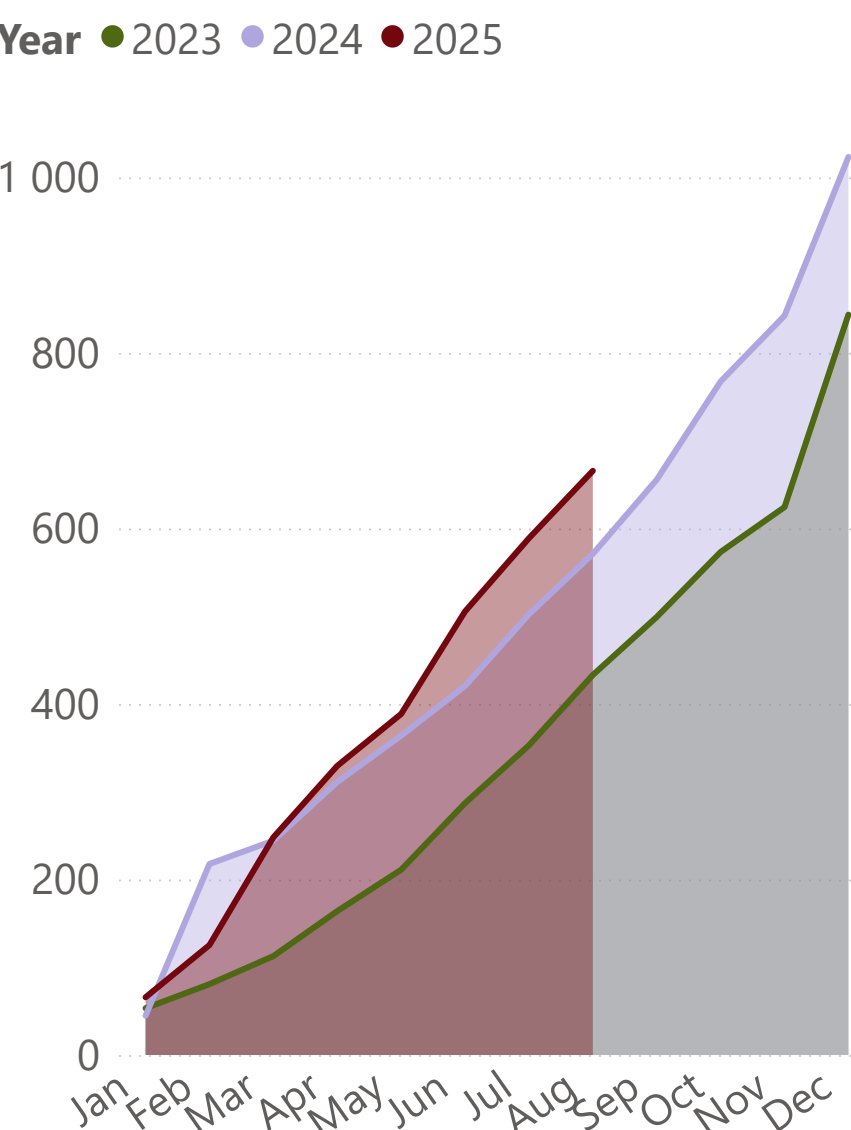
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 650,1	177,4	7,2%
Expenditure	2 584,1	196,2	8,2%
Balance	66,1	-18,8	

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

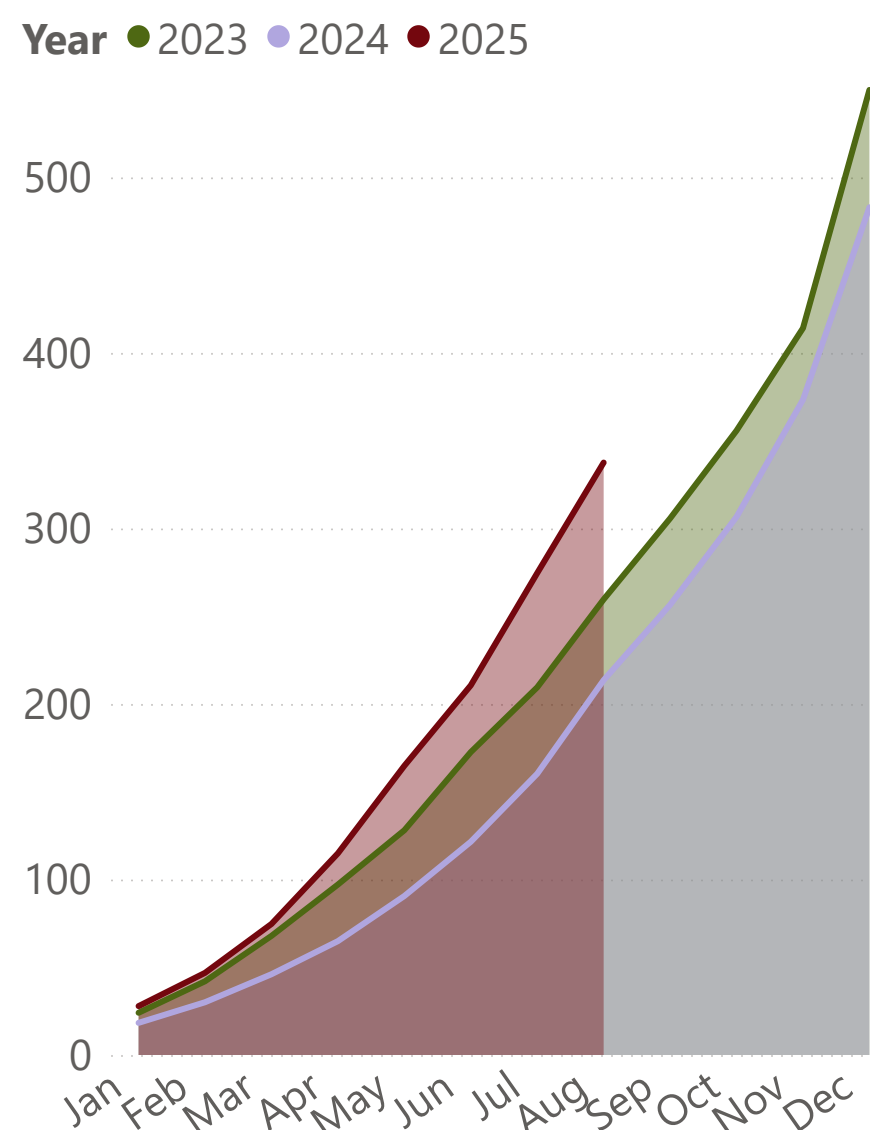


CAPITAL EXPENDITURE

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

432 160
(+0.2% YoY)
August 2025

Unemployment benefit recipients

29 726
(-7.6% YoY)
August 2025

Old-age pensions average amount

608€
(+11.9% YoY)
August 2025

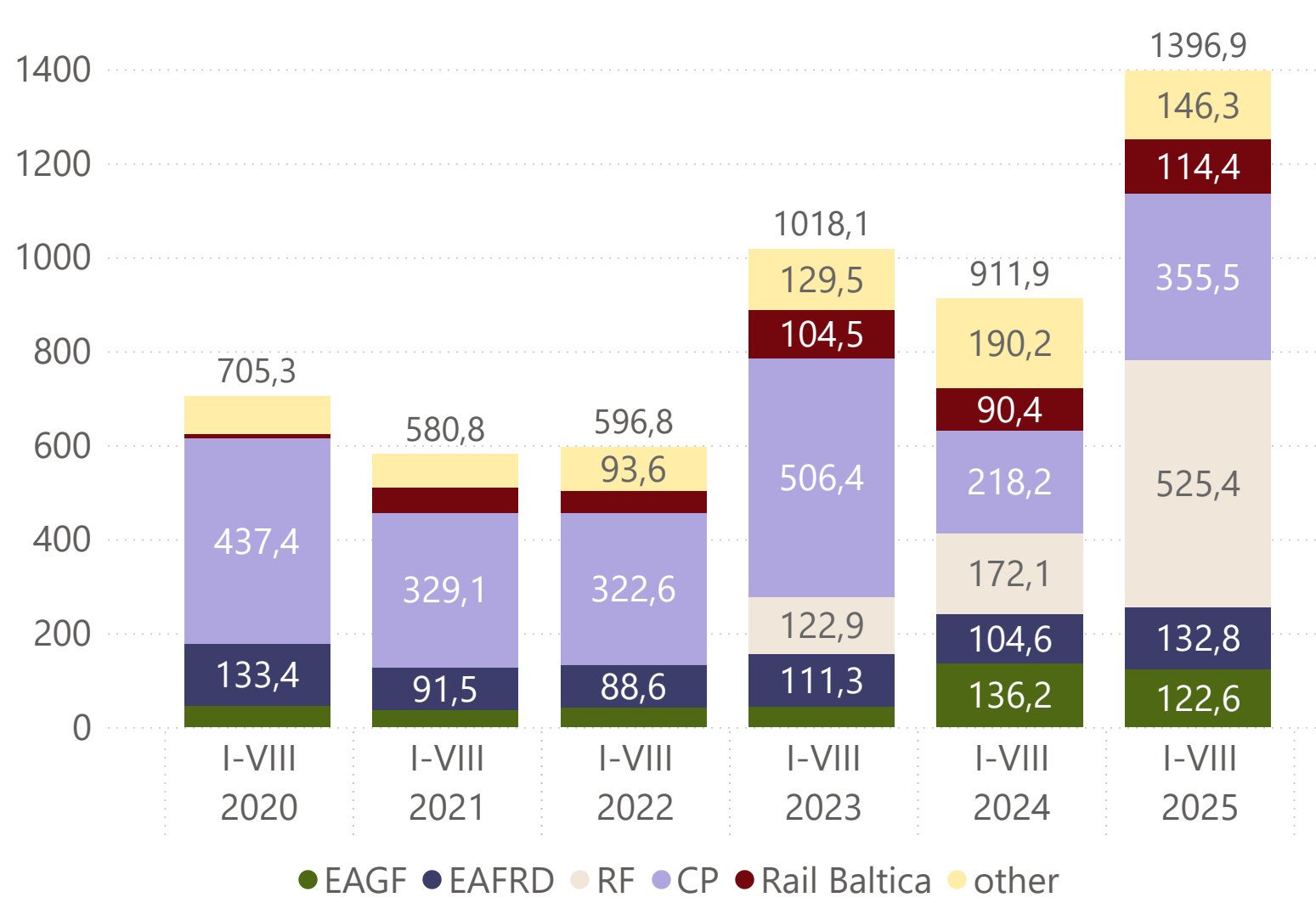
Unemployment benefit average amount

542€
(+7.2% YoY)
August 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