

MACROECONOMIC AND BUDGETARY REVIEW 2025

No 10

GROSS DOMESTIC PRODUCT (GDP)

GDP 2024

40 359 mln €

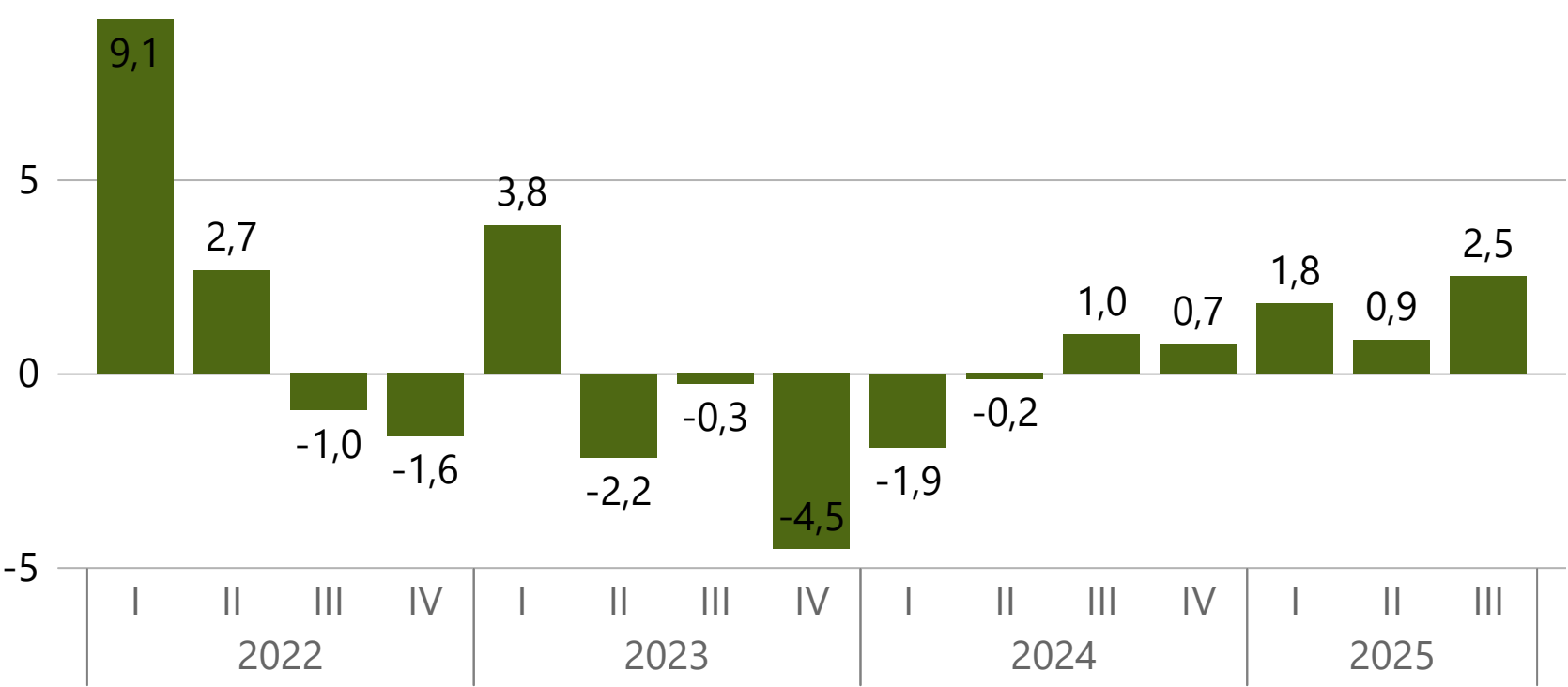
CSB, 30.09.2025

GDP growth 2025

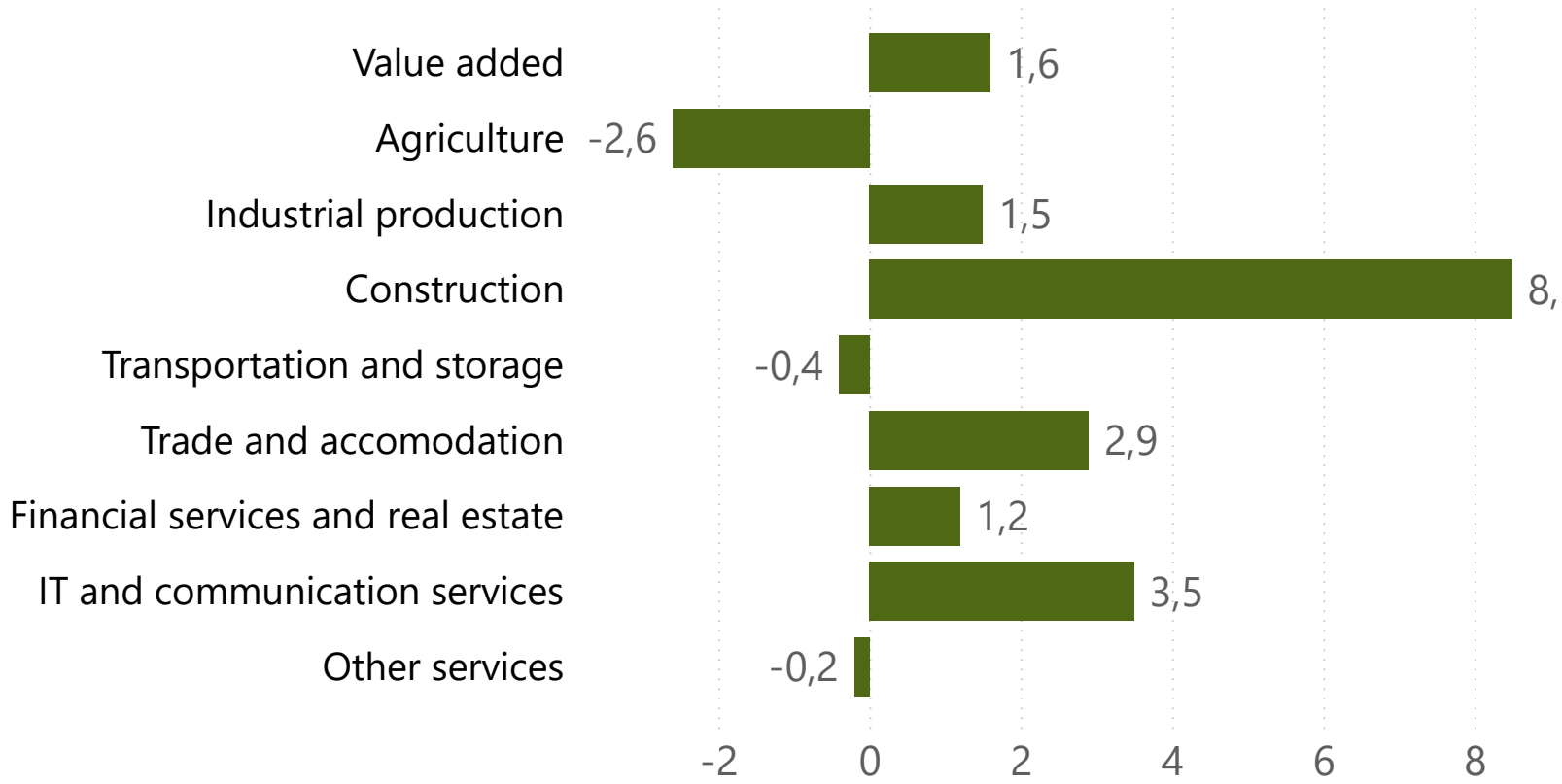
1.1%

MoF forecast, June 2025

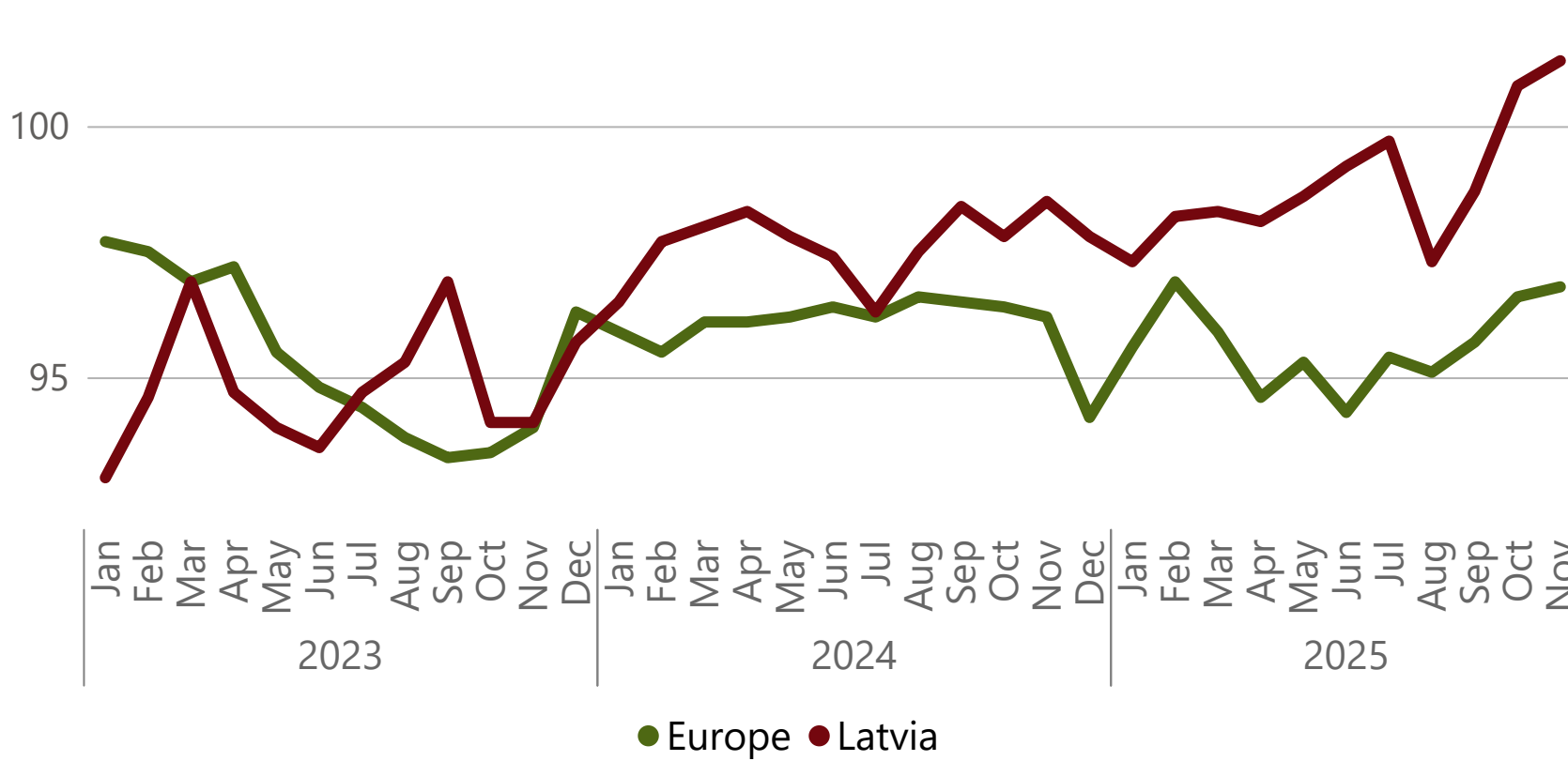
GDP growth, YoY%



GDP growth by sectoral breakdown 2025 Q I-III/2024 Q I-III



ESI Economic confidence



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

INFLATION

Consumer prices

4.3%

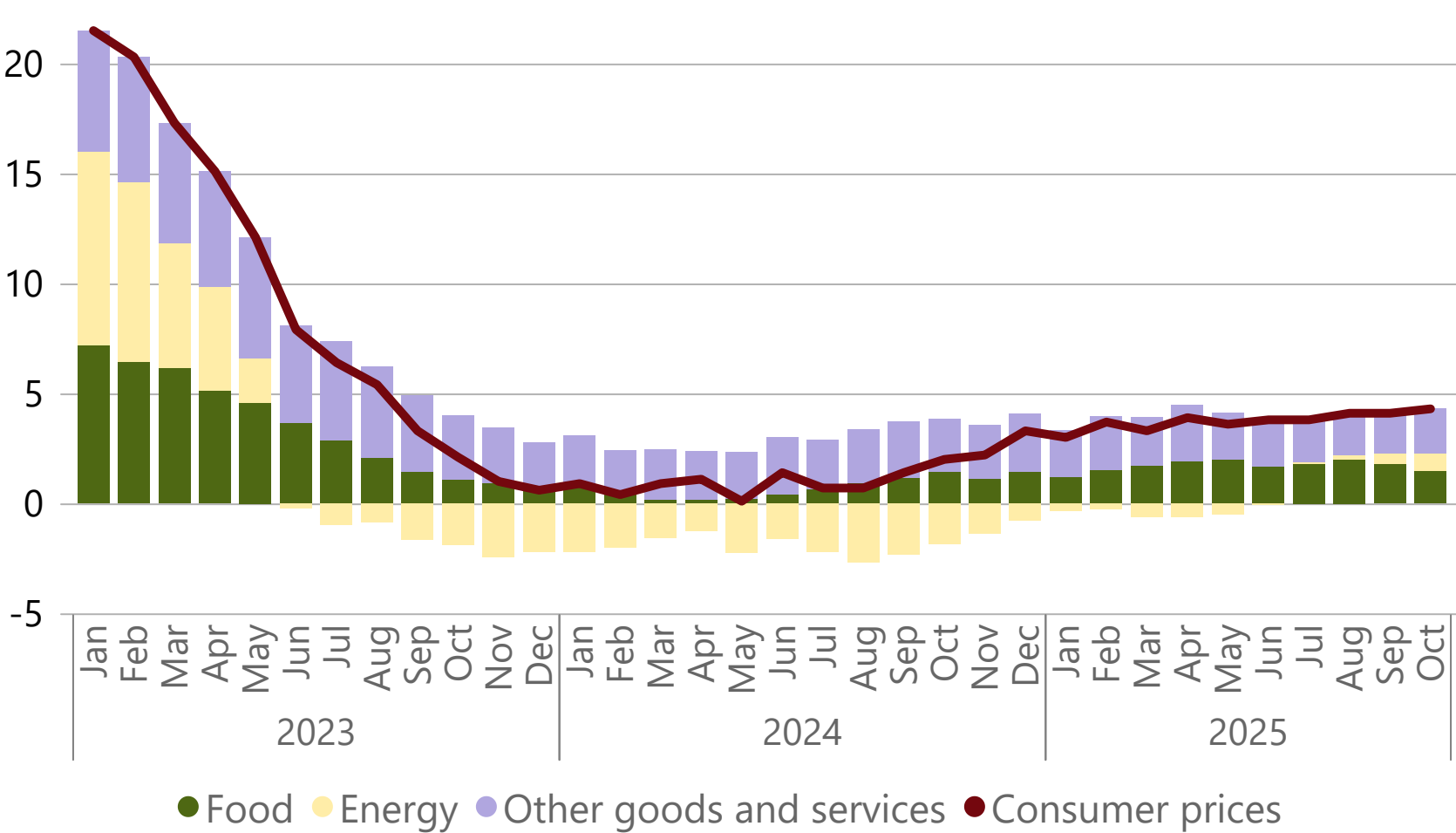
October 2025

Producer prices

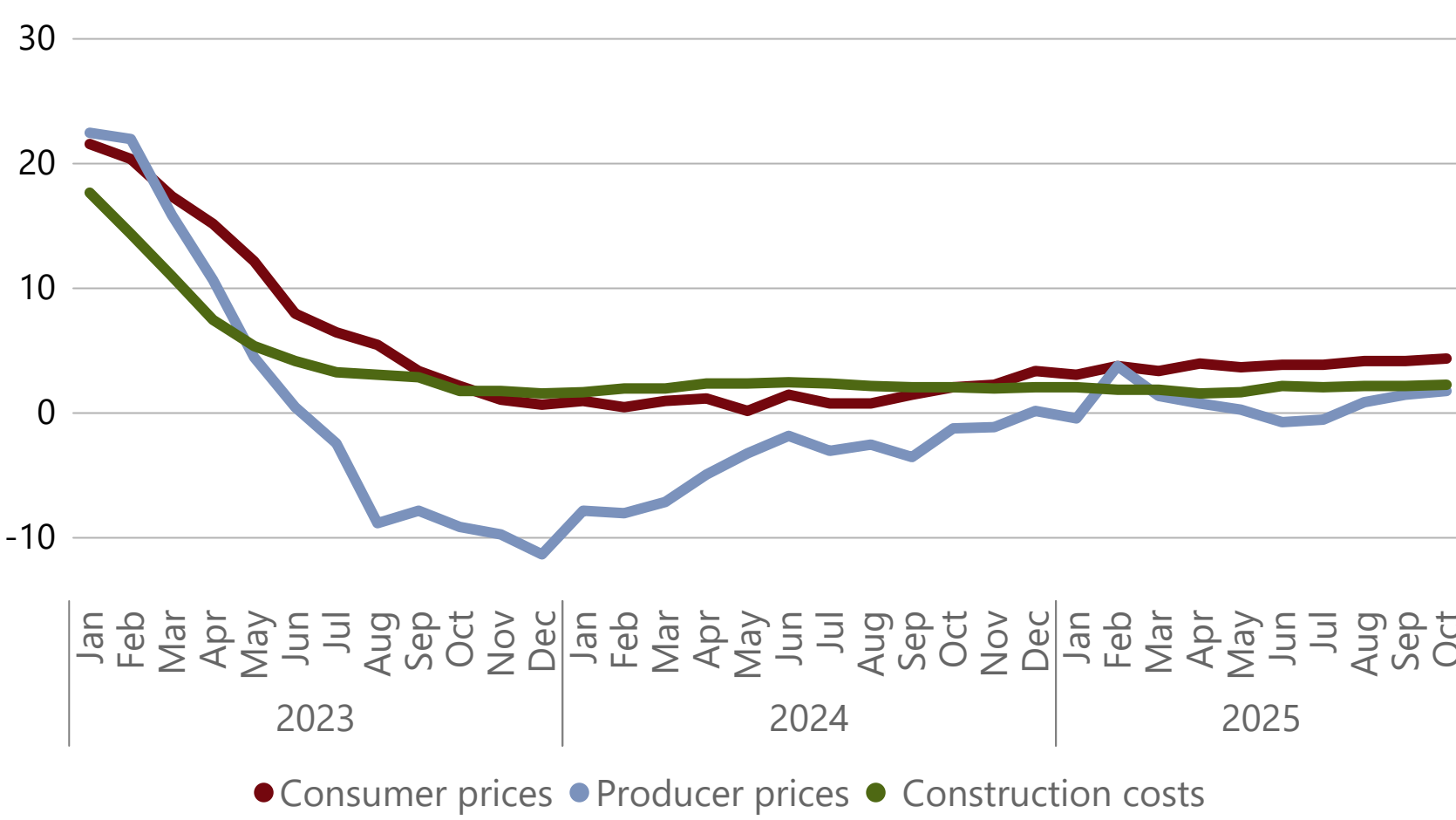
1.7%

October 2025

Consumer prices, YoY%



Prices, YoY%



Source: CSB

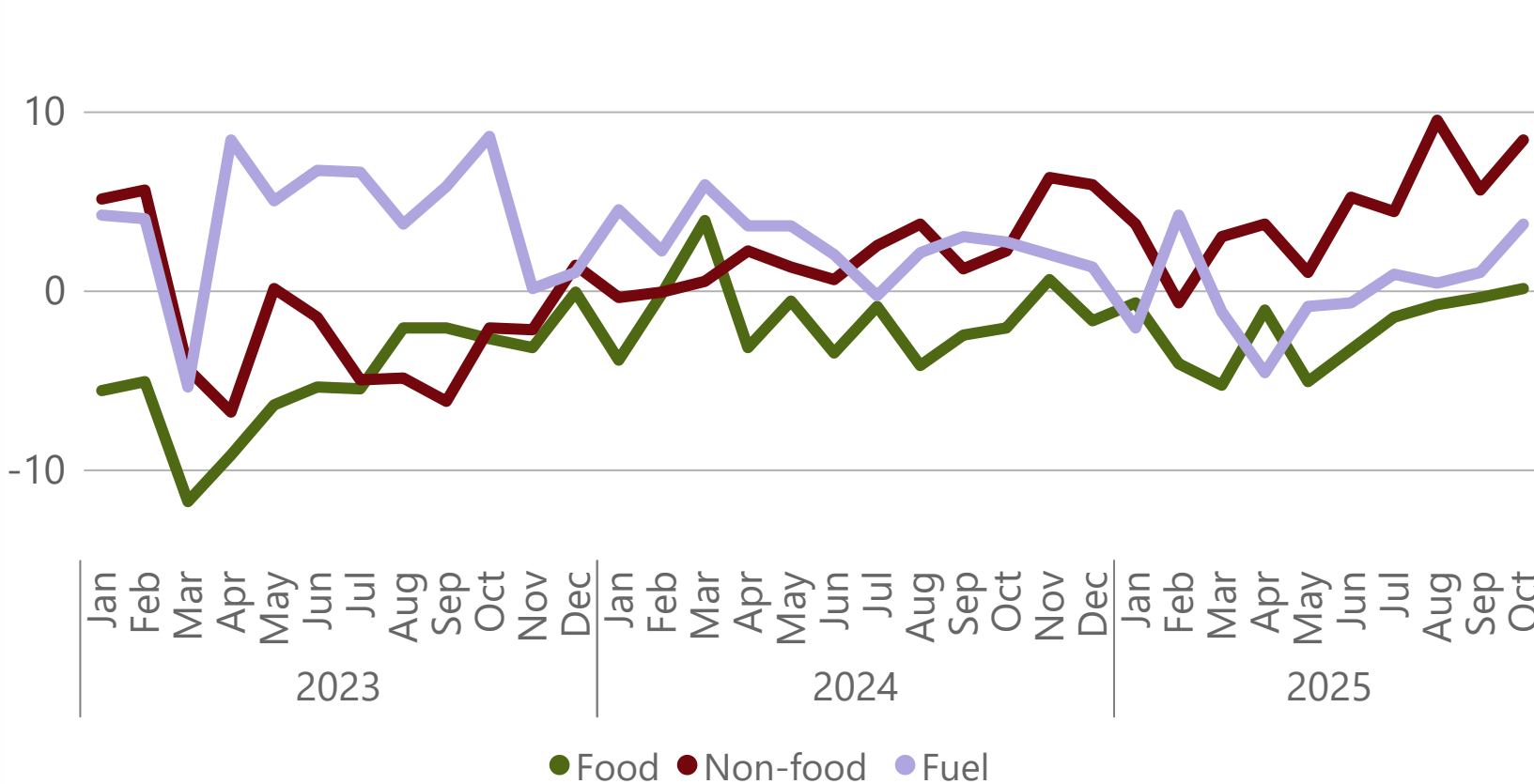
MAIN MACROECONOMIC INDICATORS

Indicator	2019	2020	2021	2022	2023	2024	2025*	2026*	2027*	2028*
Nominal GDP, billions euro	29,6	29,2	32,3	36,1	39,6	40,4	42	44	46	48
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

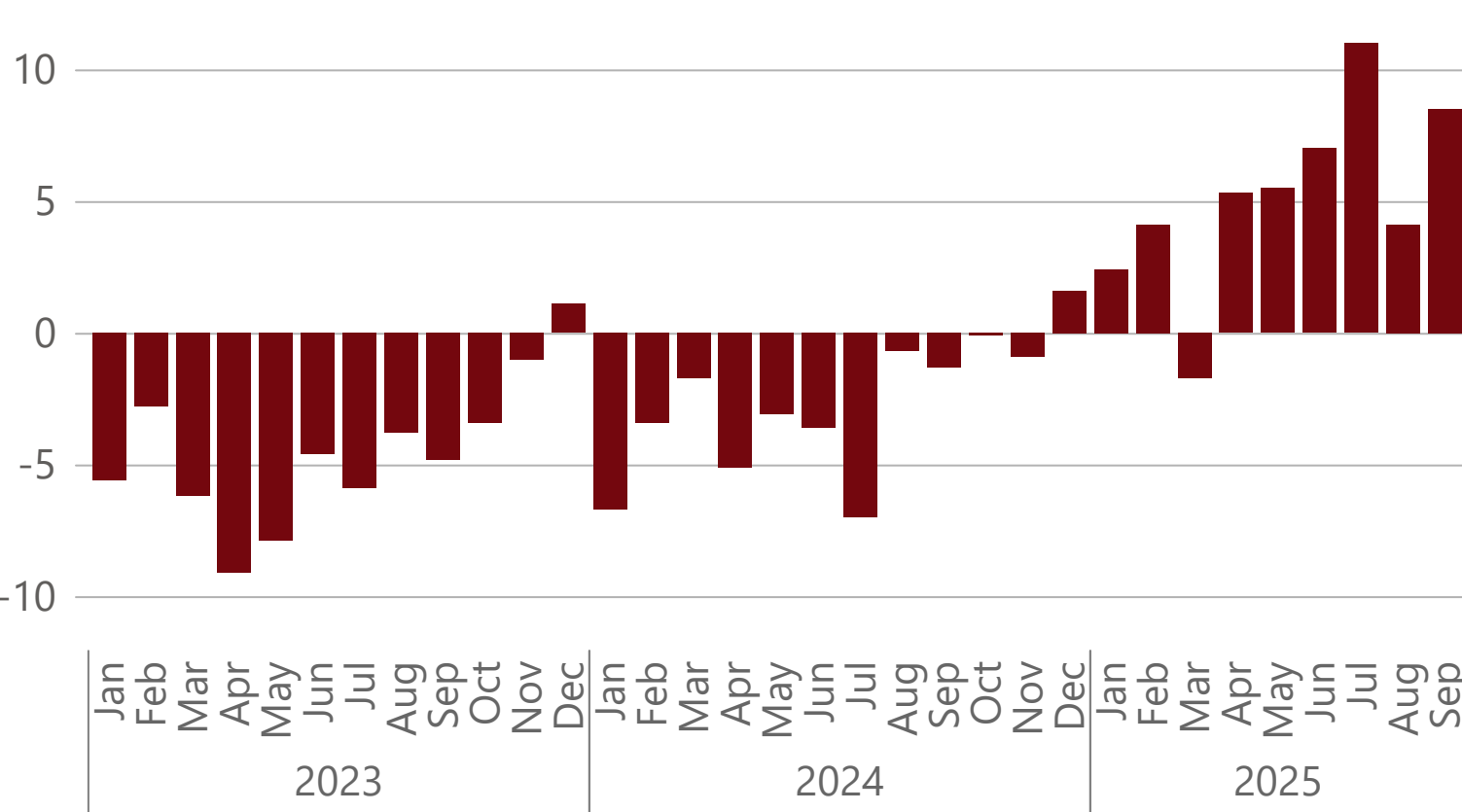
Source: CSB (30.09.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2025)

INDUSTRIES

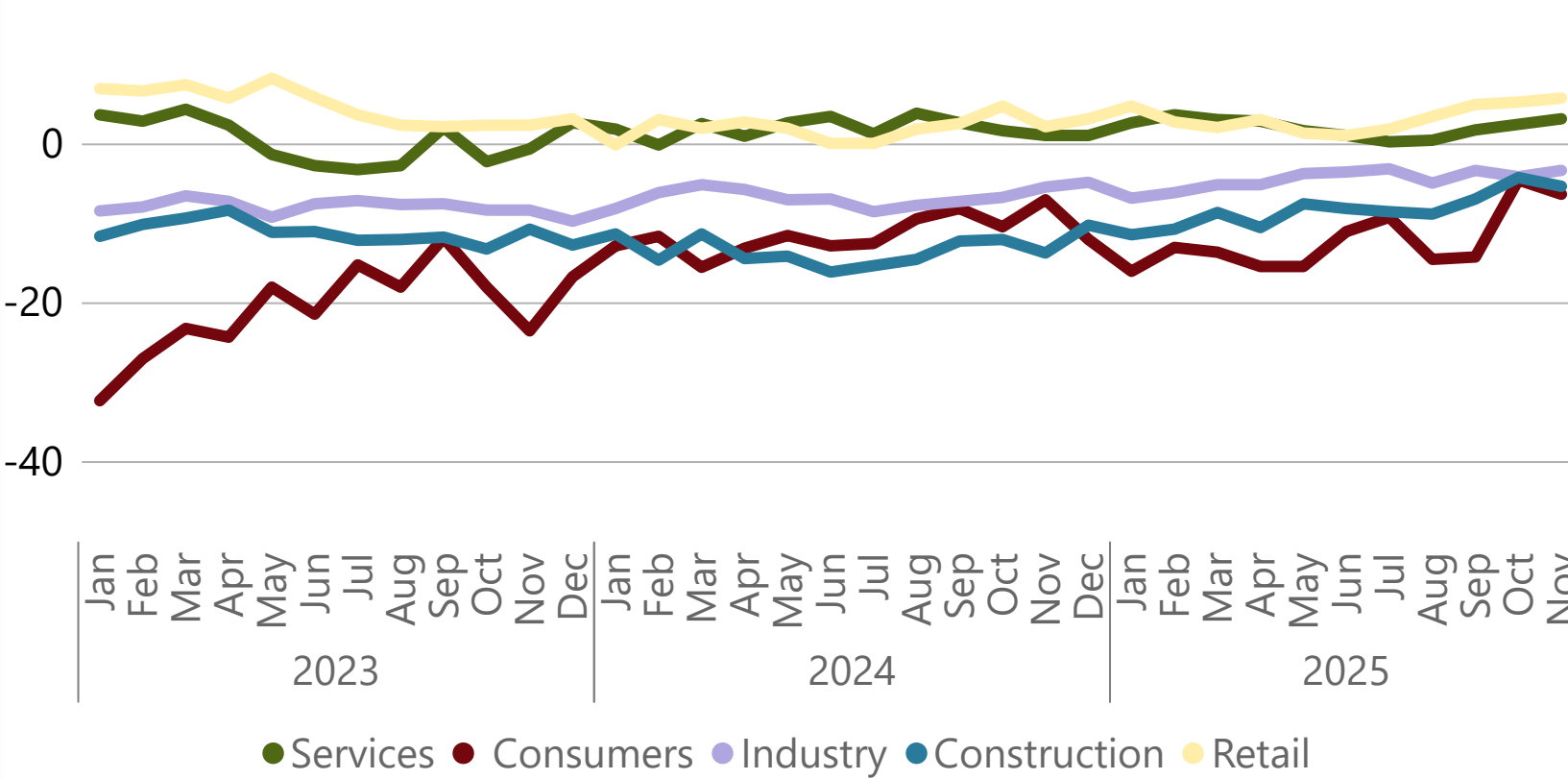
Retail trade growth, YoY%



Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-2.9% of GDP

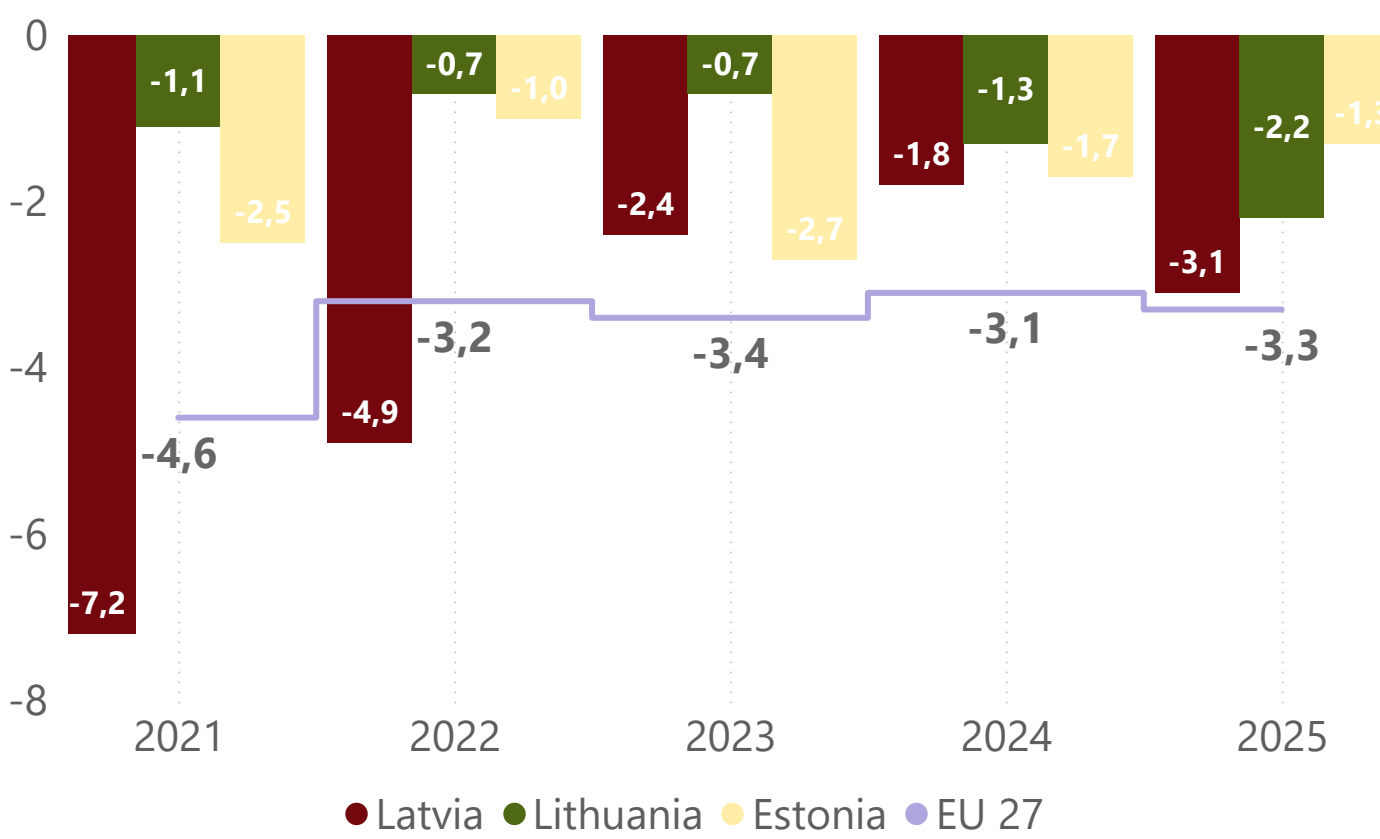
Forecast of MoF, August 2025

General government debt 2025

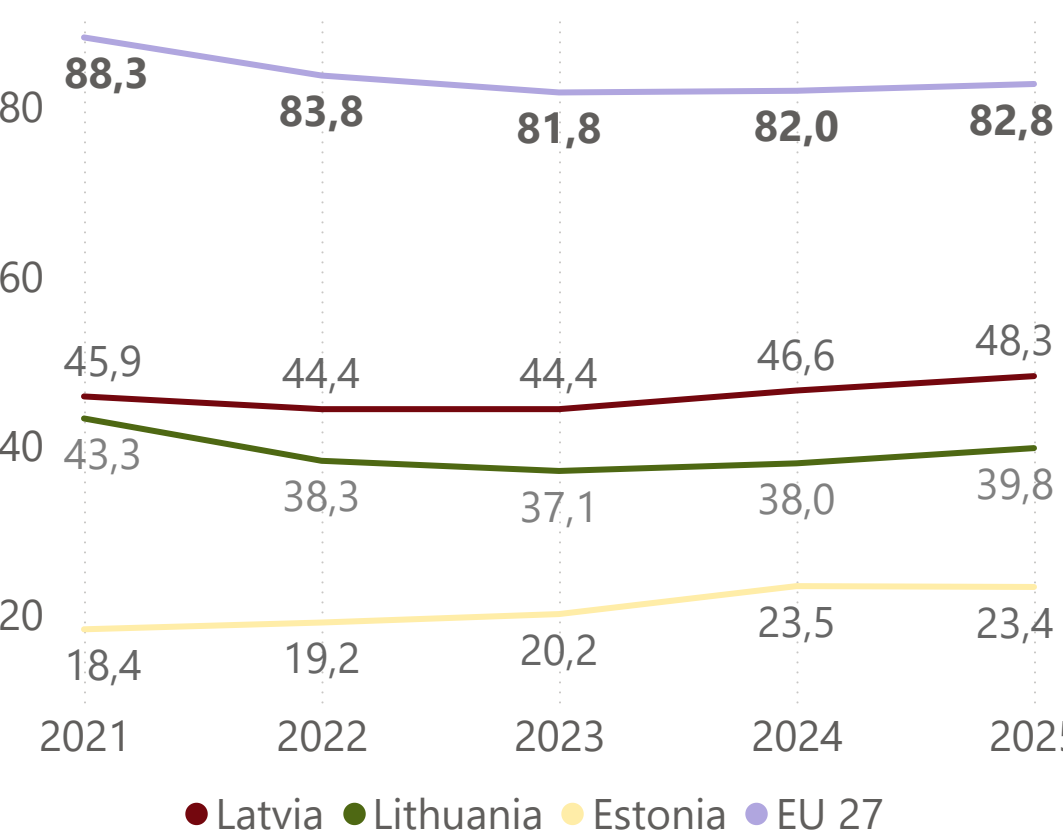
48.9% of GDP

Forecast of Treasury, August 2025

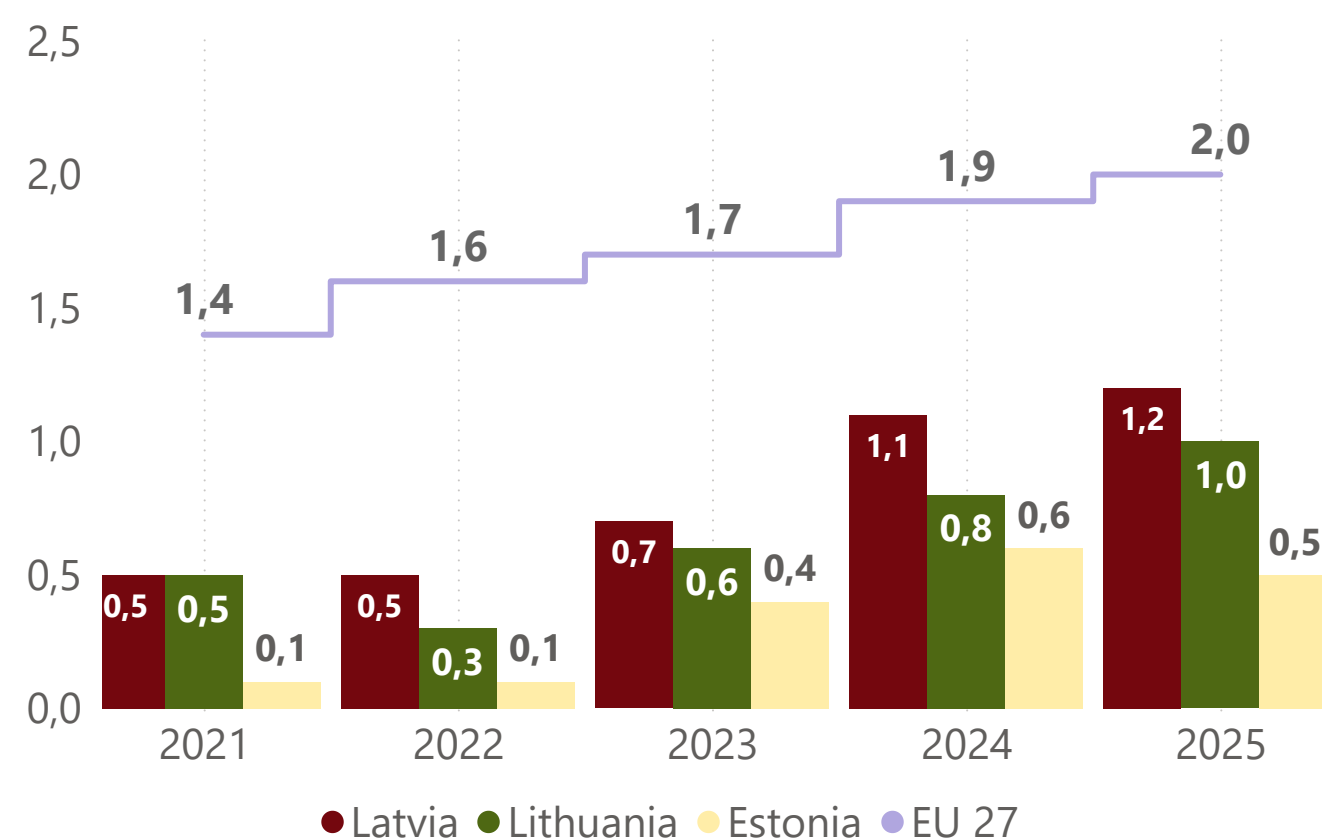
General government budget balance, % of GDP



General government debt, % of GDP



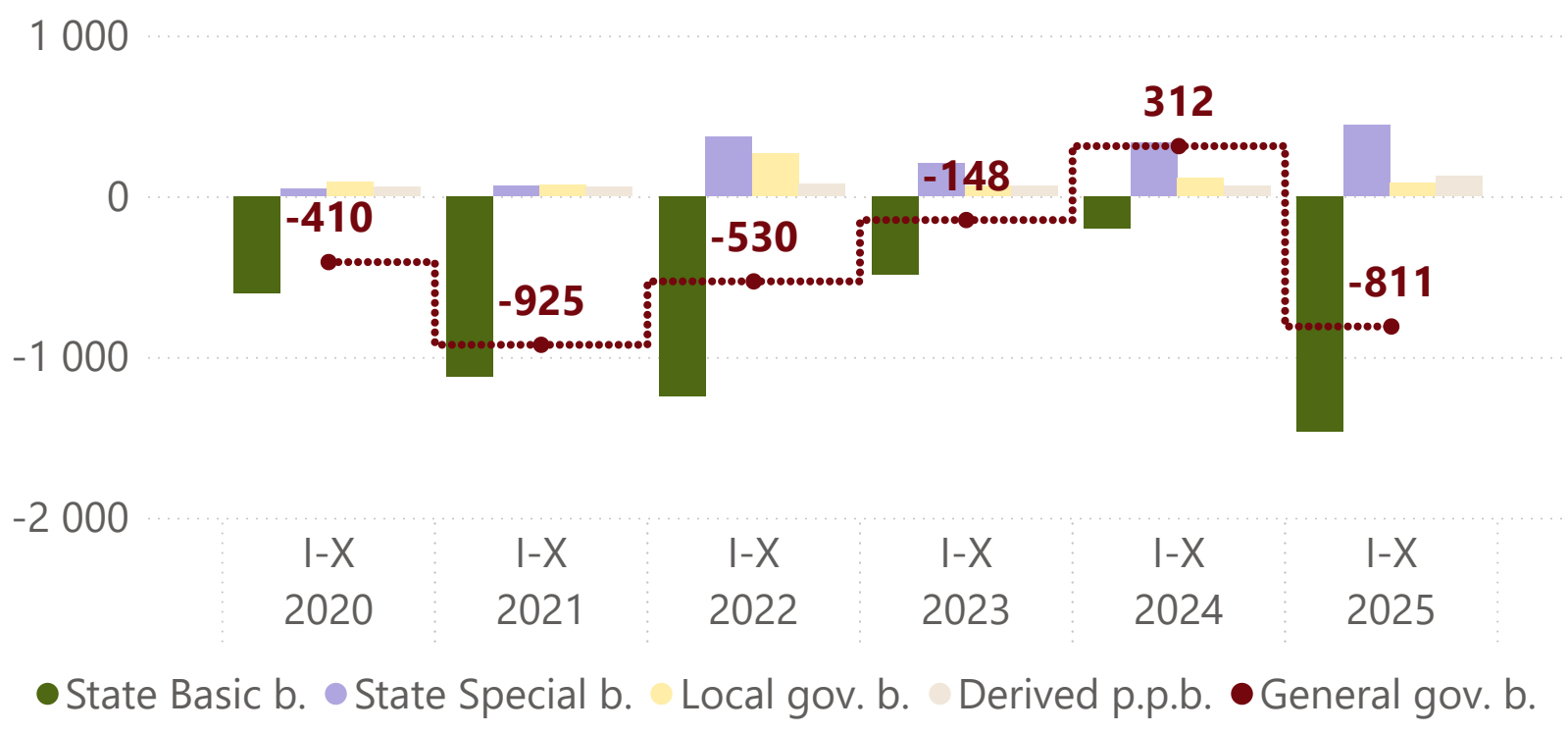
Interest expenditure (D.41), % of GDP



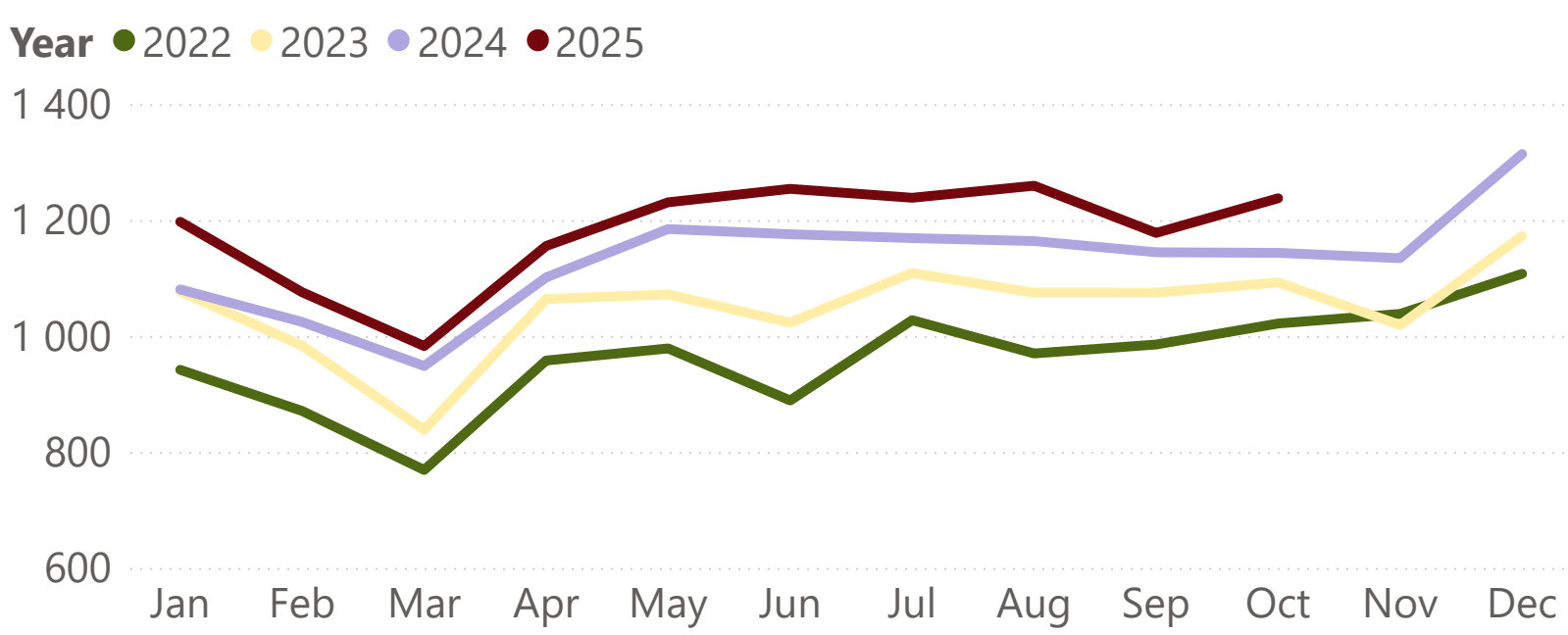
Source: Eurostat (2021-2024), AMECO forecast autumn 2025

GENERAL GOVERNMENT BUDGET JANUARY-OCTOBER 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-October 2025, including revenue in the single tax account (-150.7 mln €) and excluding SSC at the 2nd pension pillar (670.6 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	14 610,2	199,5	1,4%
Expenditure	15 420,9	1 321,7	9,4%
Balance	-810,6	-1 122,3	

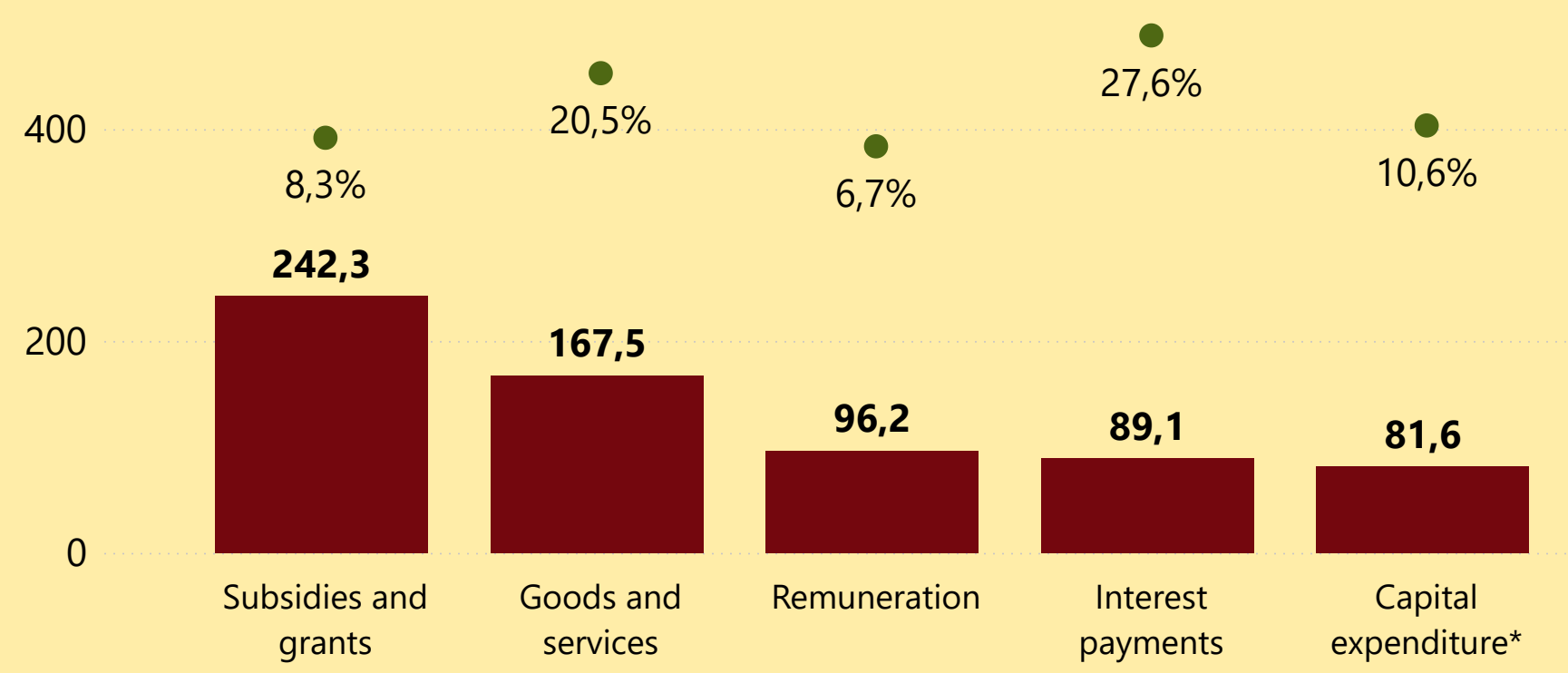
General government budget tax revenue	Execution, mln €	YoY, mln €	YoY, %
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	4 019,0	336,2	9,1%
VAT	3 334,2	171,4	5,4%
PIT	2 290,4	-5,7	-0,2%
EXCISE	1 041,8	43,5	4,4%
CIT	718,8	74,2	11,5%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	11 808,5	673,3	6,0%
Non tax revenue	1 016,4	-82,1	-7,5%
Self-earned revenue	485,5	28,4	6,2%
Foreign financial assistance	1 297,6	-420,7	-24,5%
Expenditure			
Remuneration	3 457,4	217,5	6,7%
Goods and services	1 766,6	201,5	12,9%
Interest payments	401,4	61,3	18,0%
Subsidies and grants	3 396,3	254,8	8,1%
Social support	4 611,6	298,8	6,9%
Payments to EU budget	327,2	16,1	5,2%
Capital expenditure	1 380,1	272,7	24,6%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	8 294,8	-191,8	-2,3%
Expenditure	9 759,4	1 075,5	12,4%
Balance	-1 464,6	-1 267,3	

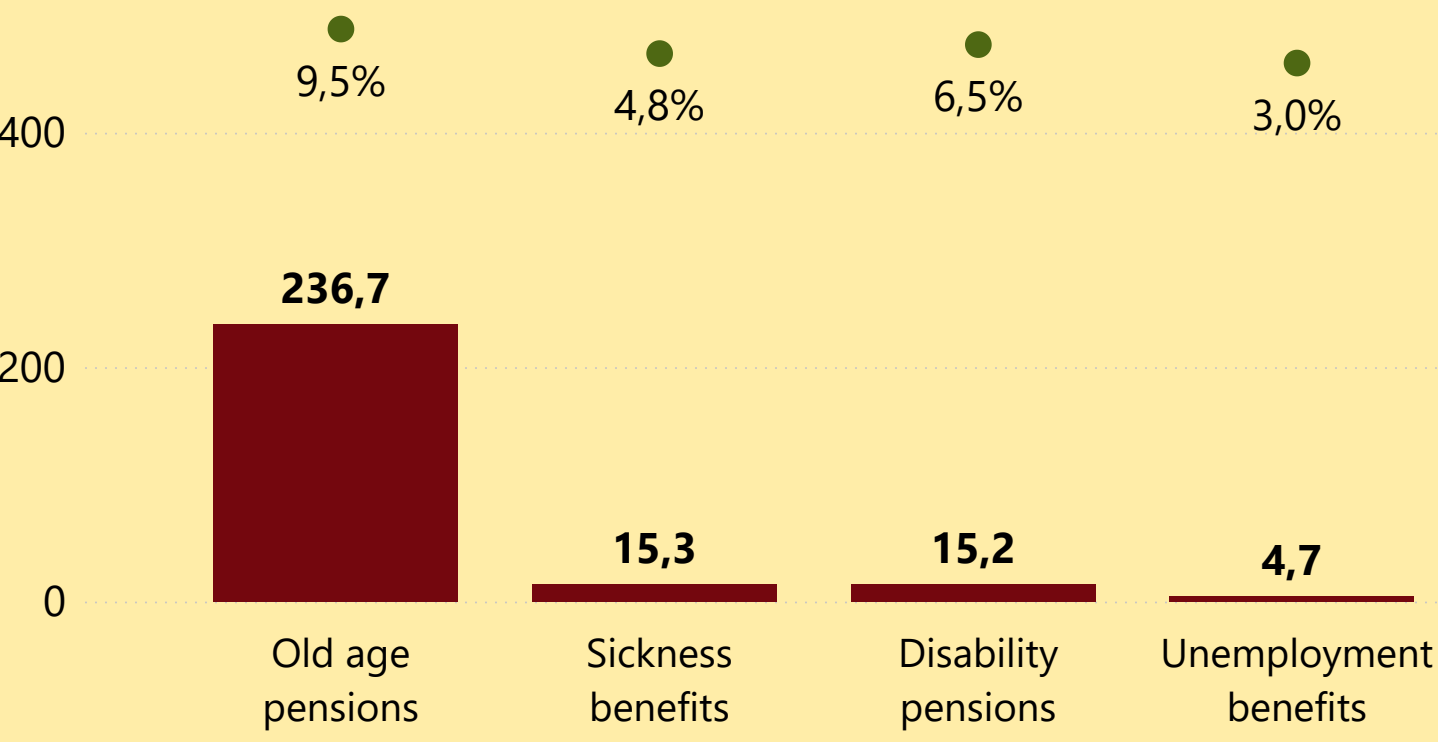
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 296,5	405,5	10,4%
Expenditure	3 851,1	291,8	8,2%
Balance	445,4	113,7	

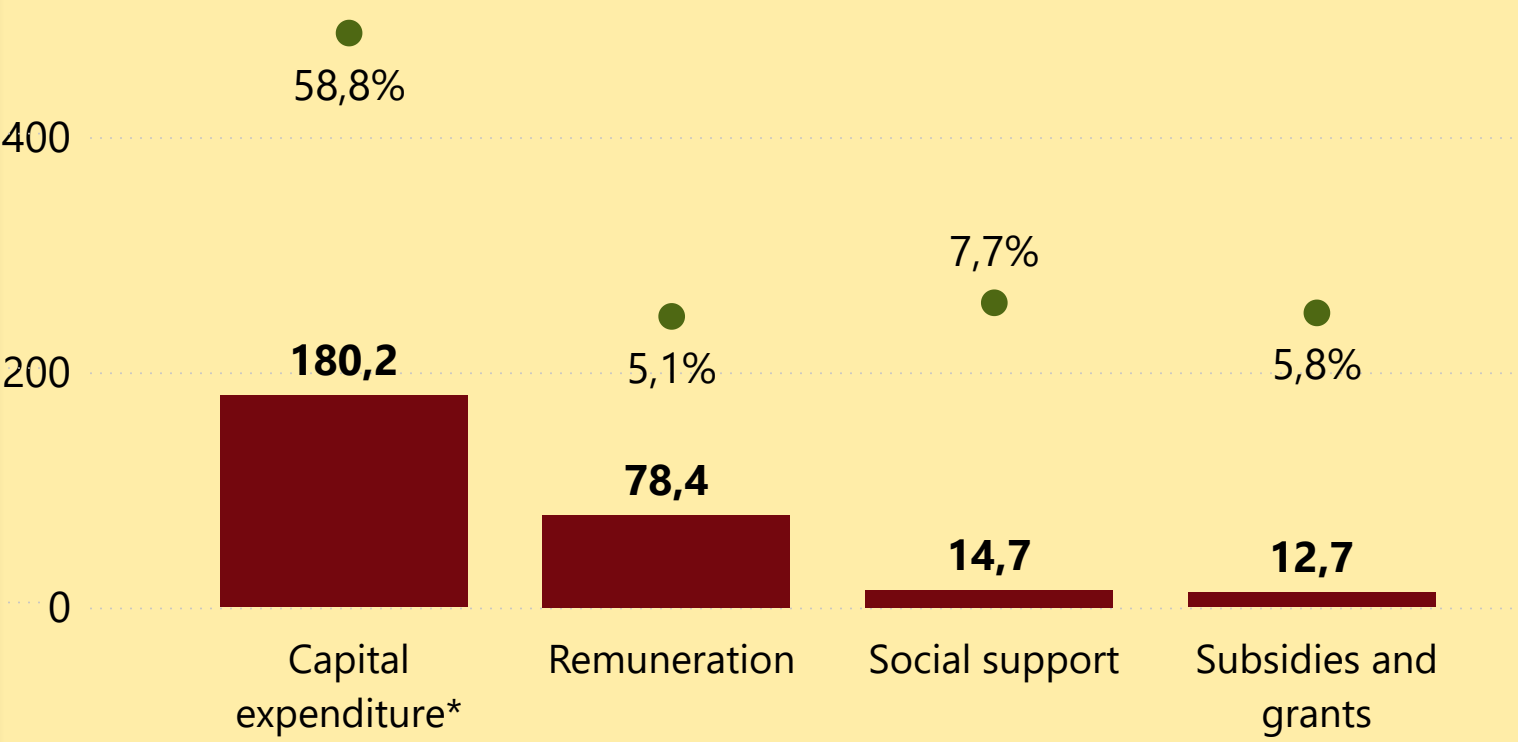
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 356,2	258,2	8,3%
Expenditure	3 271,0	288,8	9,7%
Balance	85,3	-30,6	

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



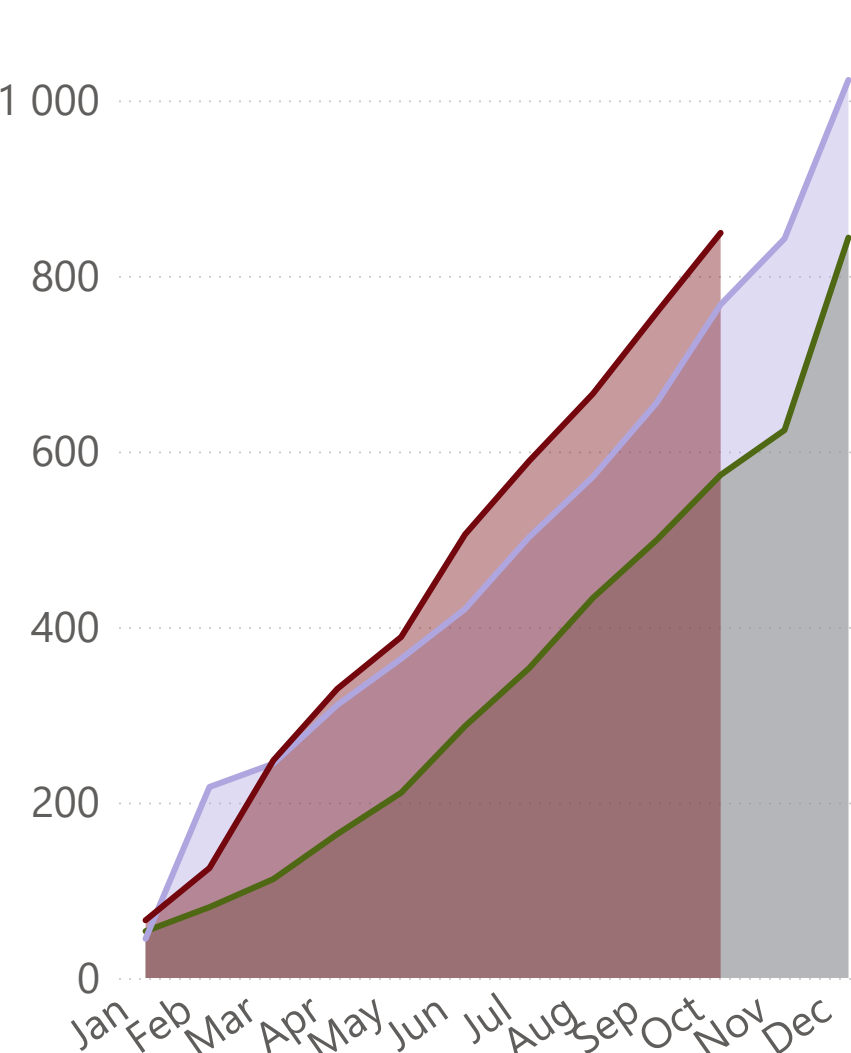
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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

CAPITAL EXPENDITURE

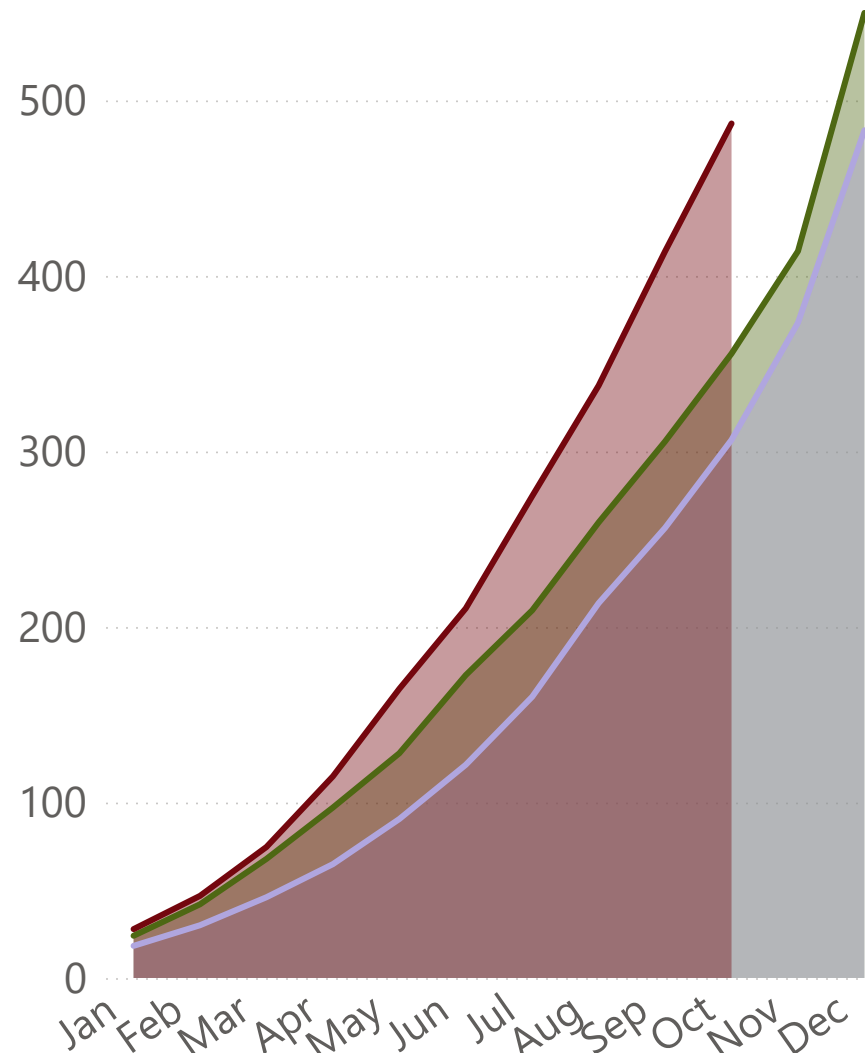
State basic budget fixed capital formation (accumulated), mln €

Year ● 2023 ● 2024 ● 2025



Local government budget fixed capital formation (accumulated), mln €

Year ● 2023 ● 2024 ● 2025



Source: State Treasury

SOCIAL SECURITY

Old-age pensions recipients

426 166
(+0.1% YoY)
October 2025

Unemployment benefit recipients

28 392
(-13.6% YoY)
October 2025

Old-age pensions average amount

658€
(+11.9% YoY)
October 2025

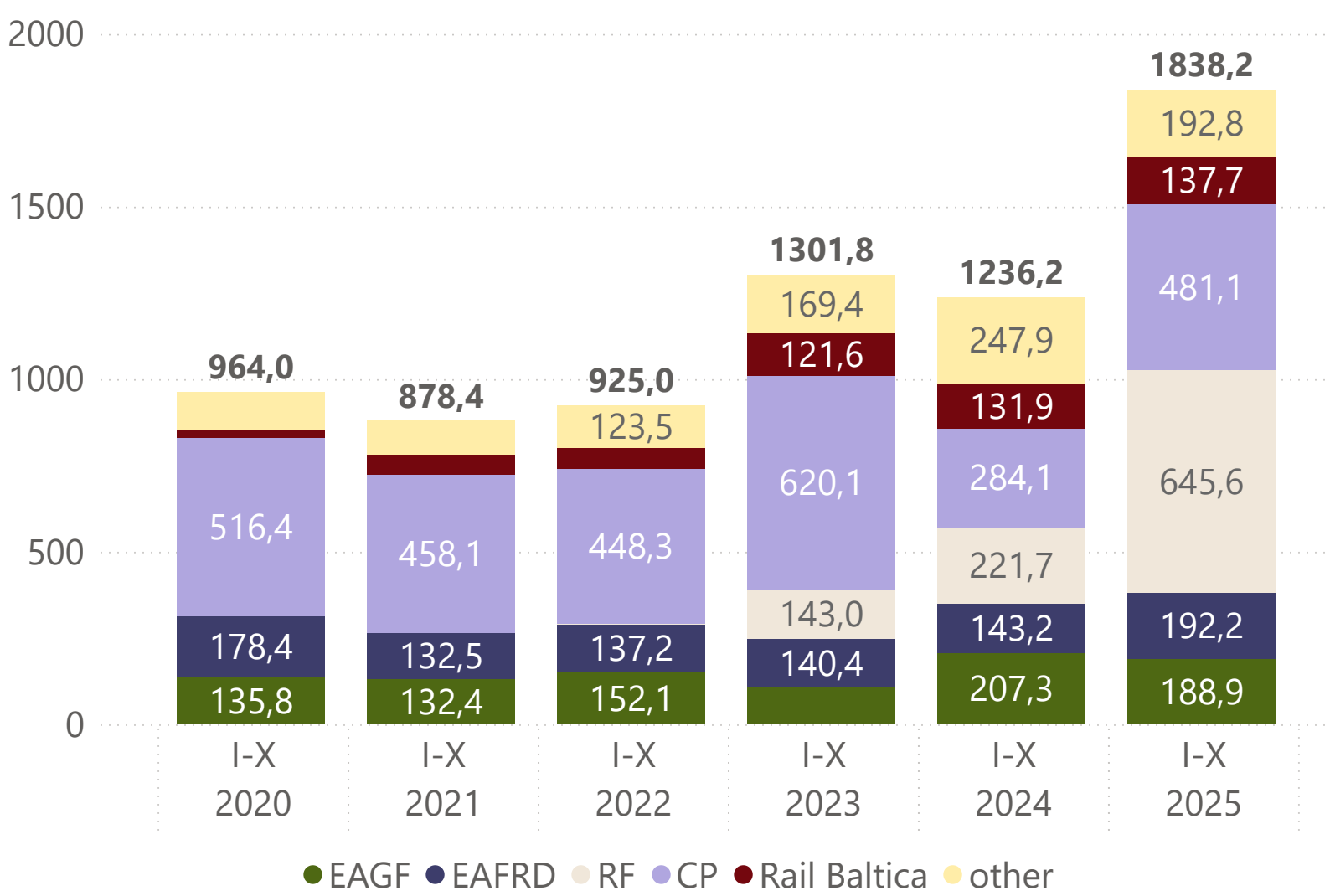
Unemployment benefit average amount

514€
(+13.5% YoY)
October 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