

MACROECONOMIC AND BUDGETARY REVIEW 2025

No 12

GROSS DOMESTIC PRODUCT (GDP)

GDP 2024

40 359 mln €

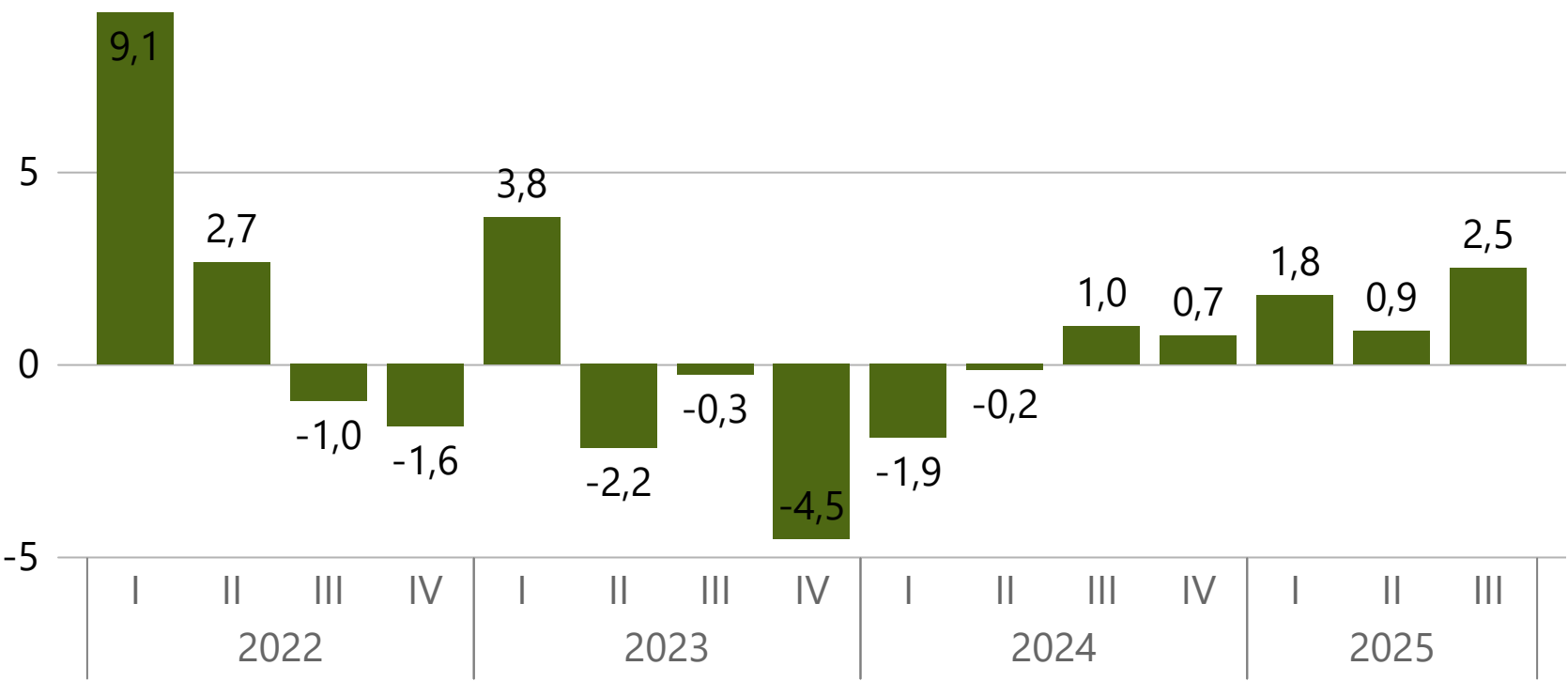
CSB, 20.10.2025

GDP growth 2025 Q1-Q3

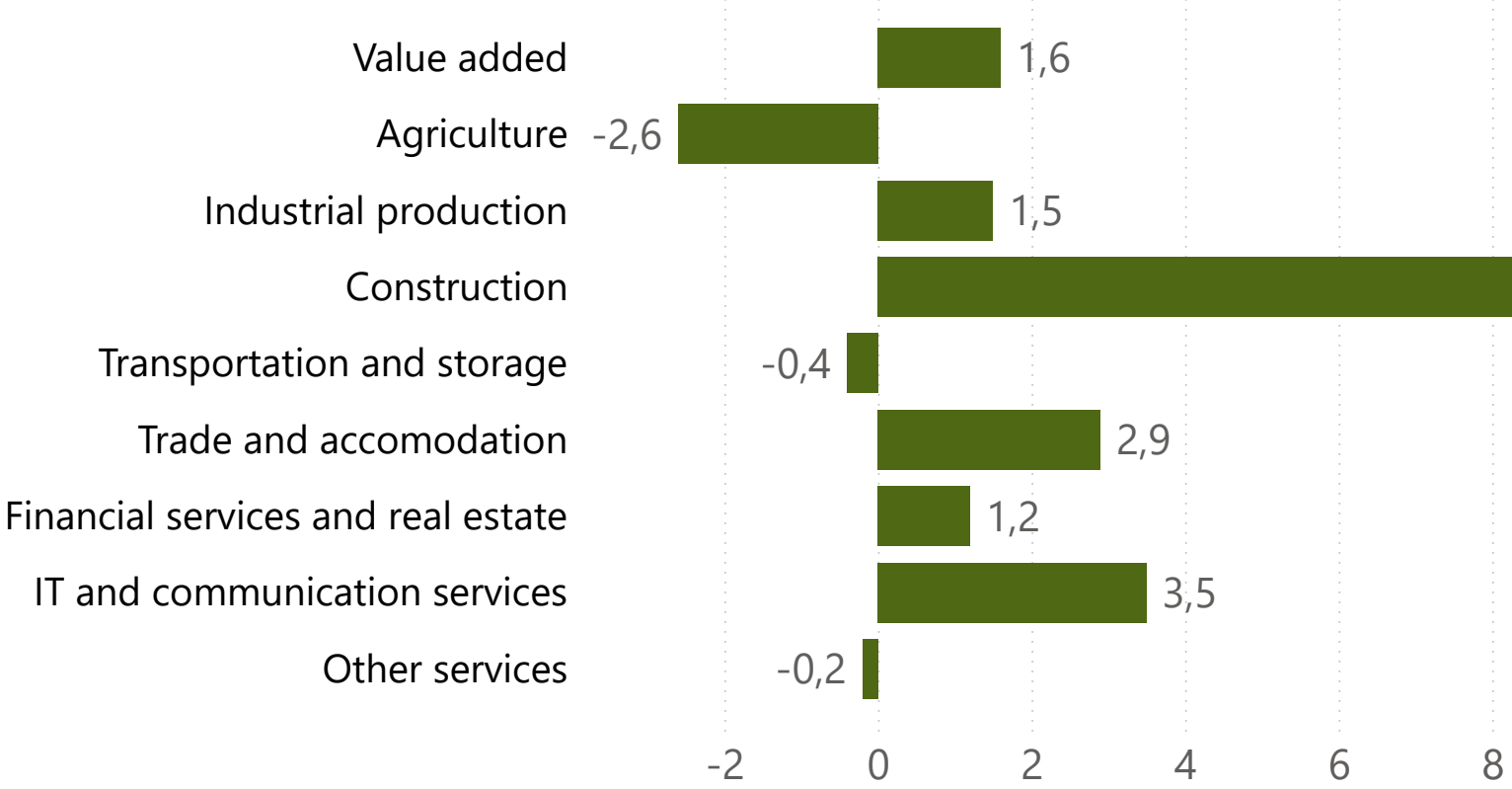
1.7%

CSB 28.11.2025

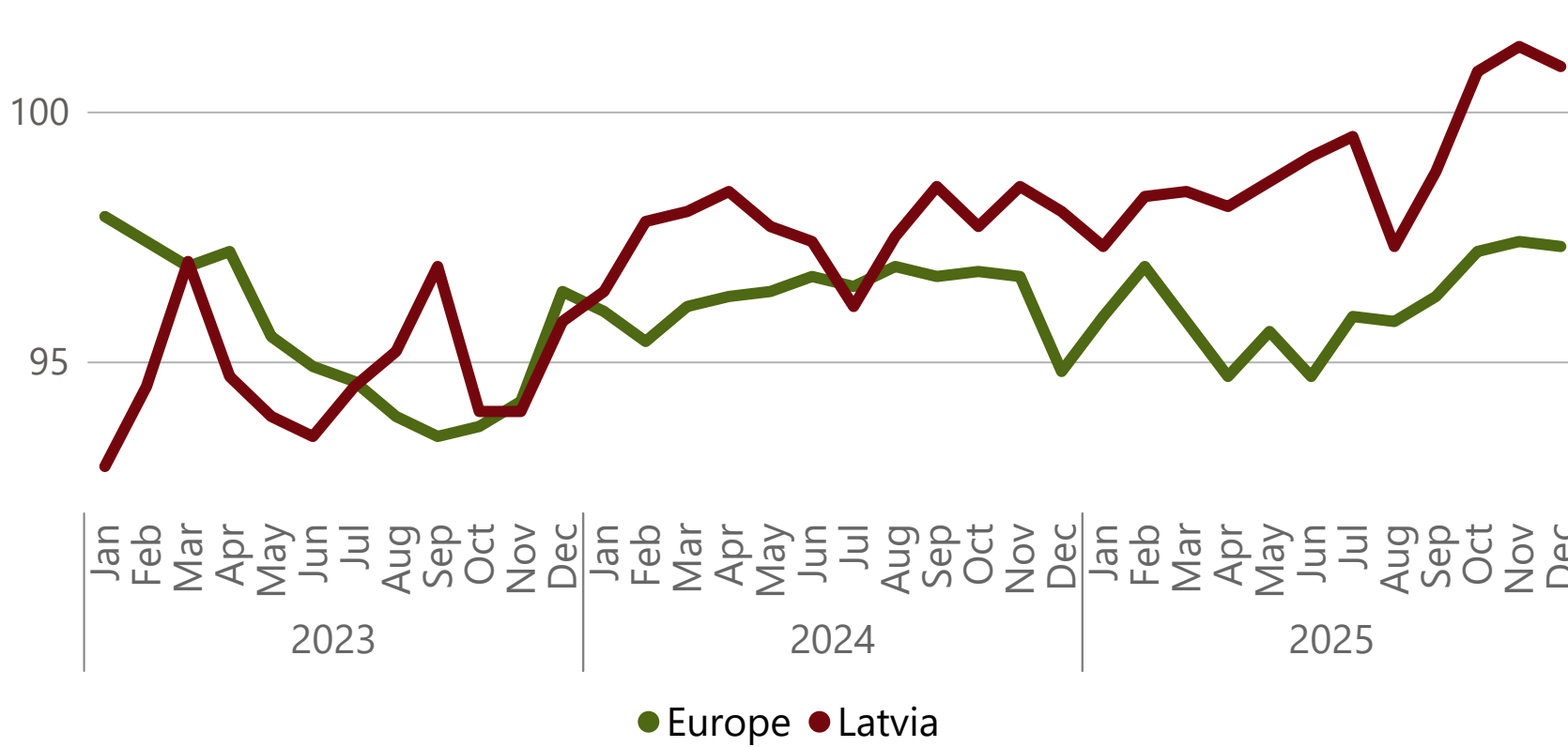
GDP growth, YoY%



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%

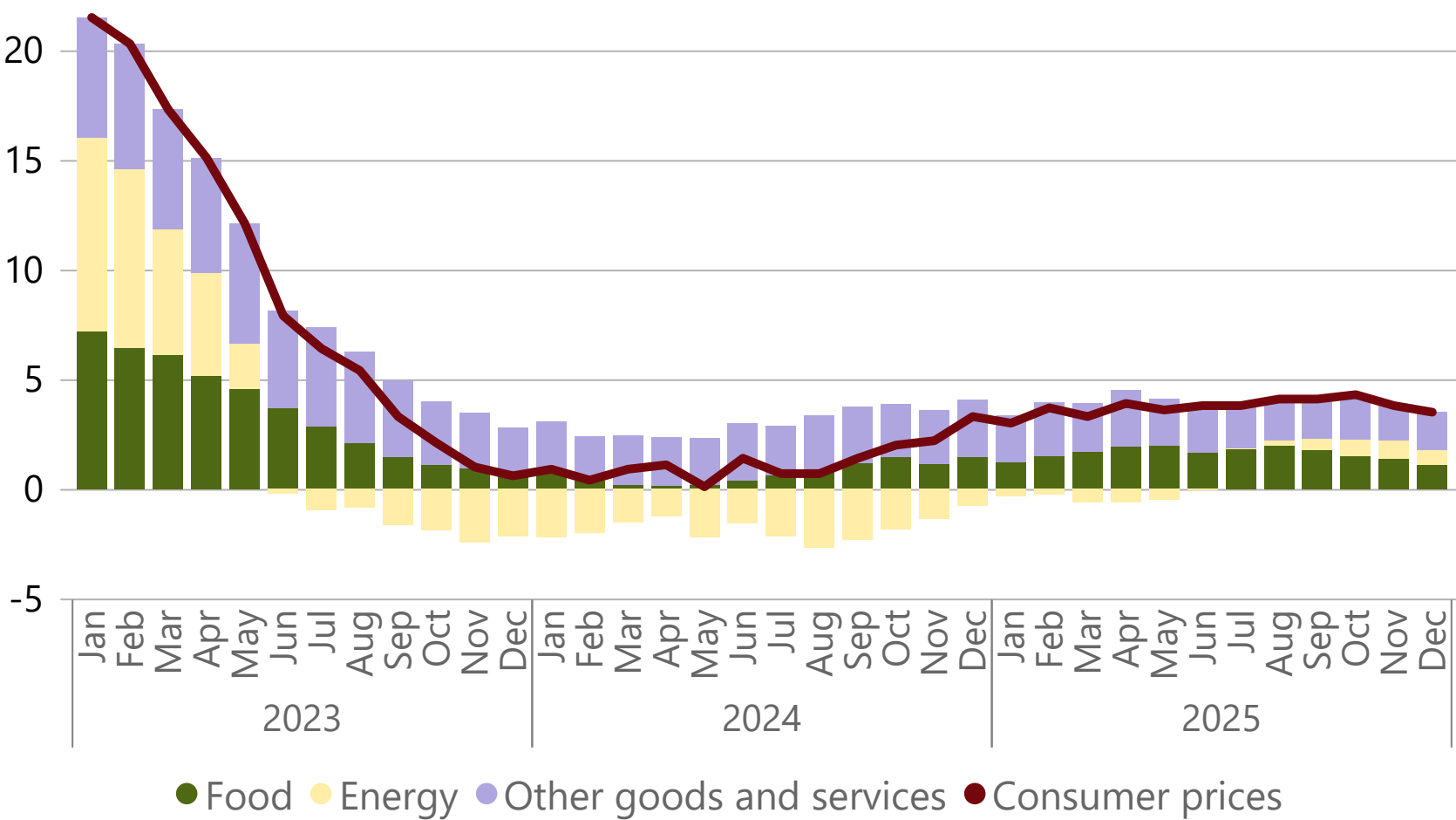
December 2025

Producer prices

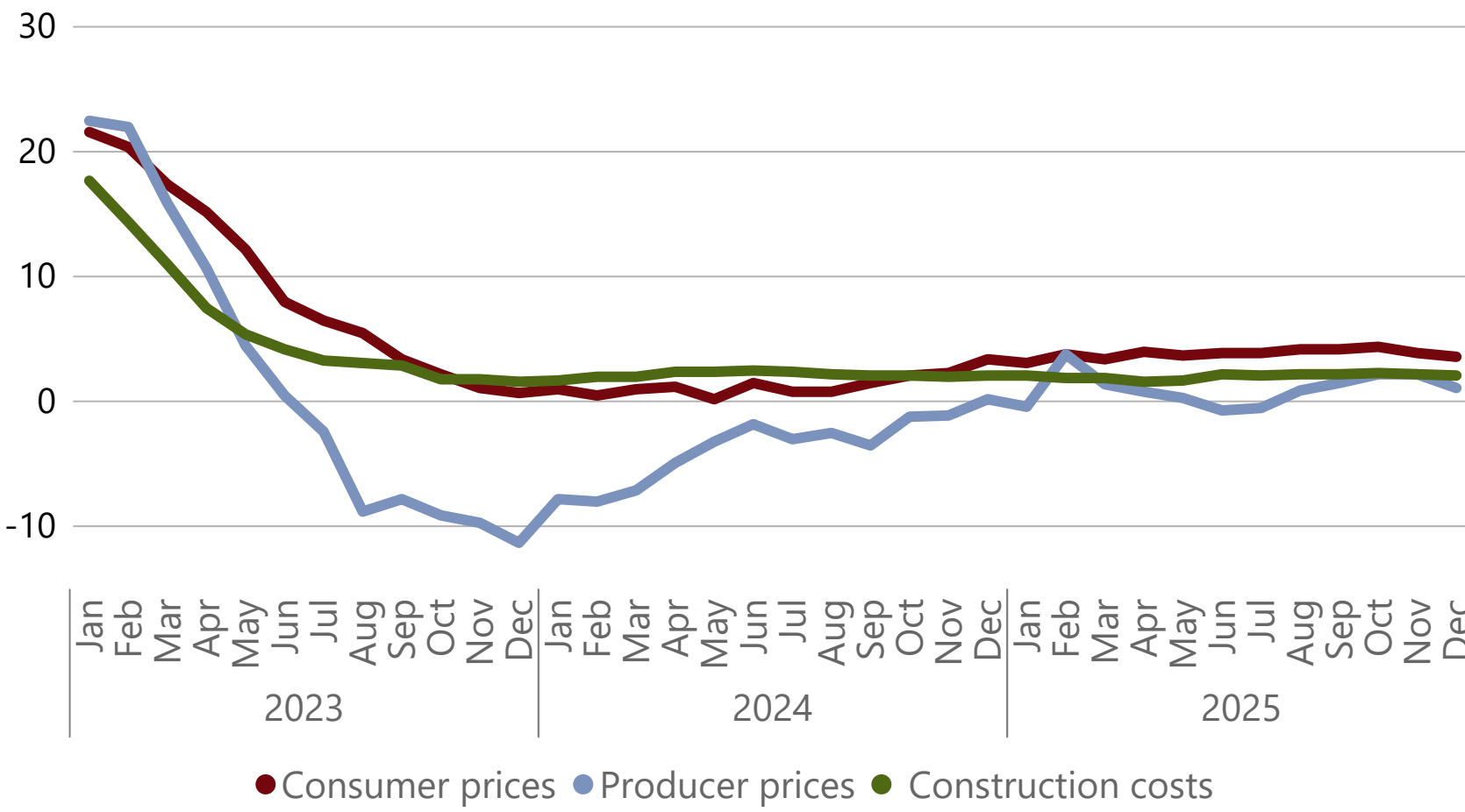
1.7%

December 2025

Consumer prices, YoY%



Prices, YoY%



Source: CSB

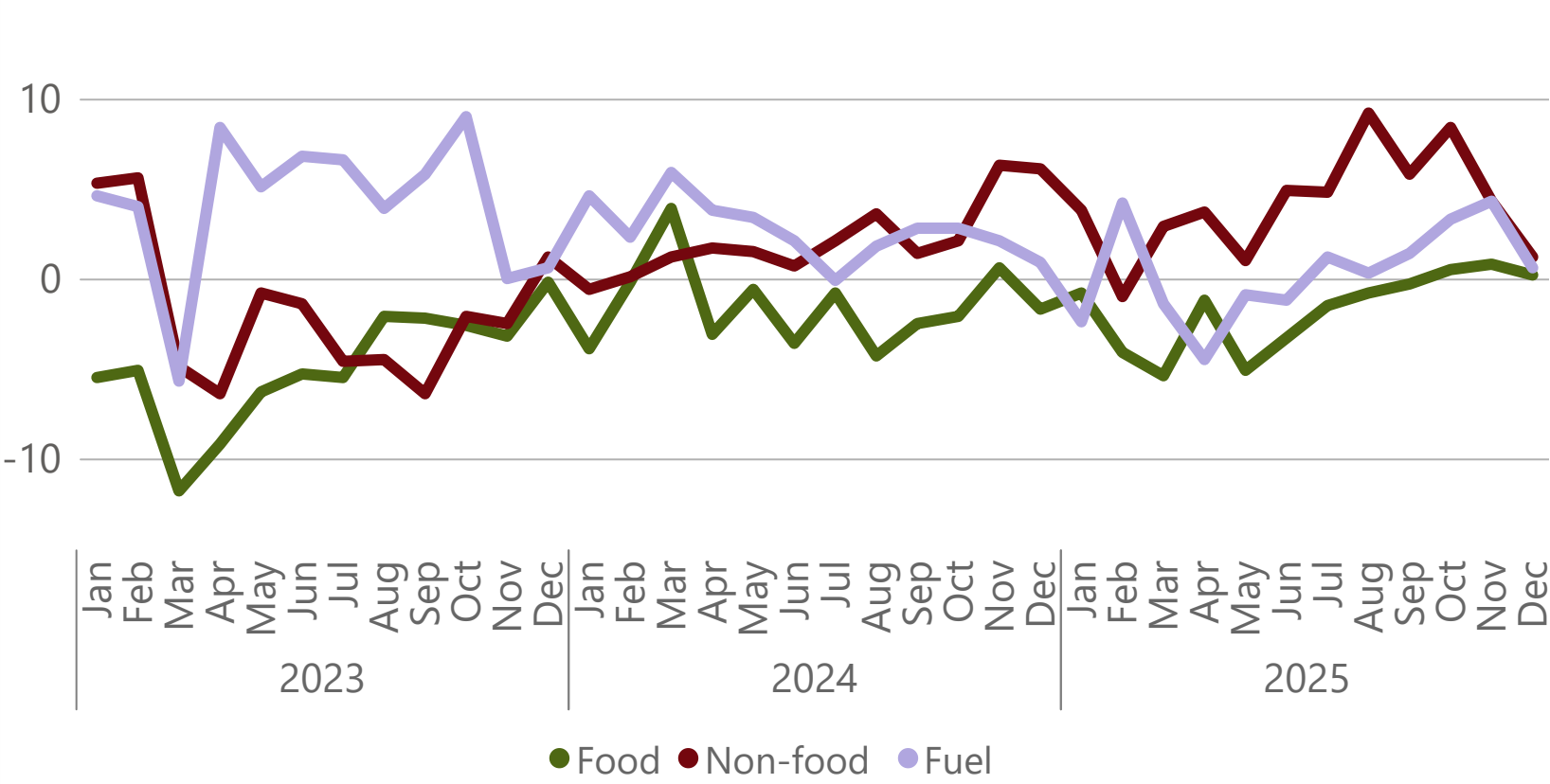
MAIN MACROECONOMIC INDICATORS

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

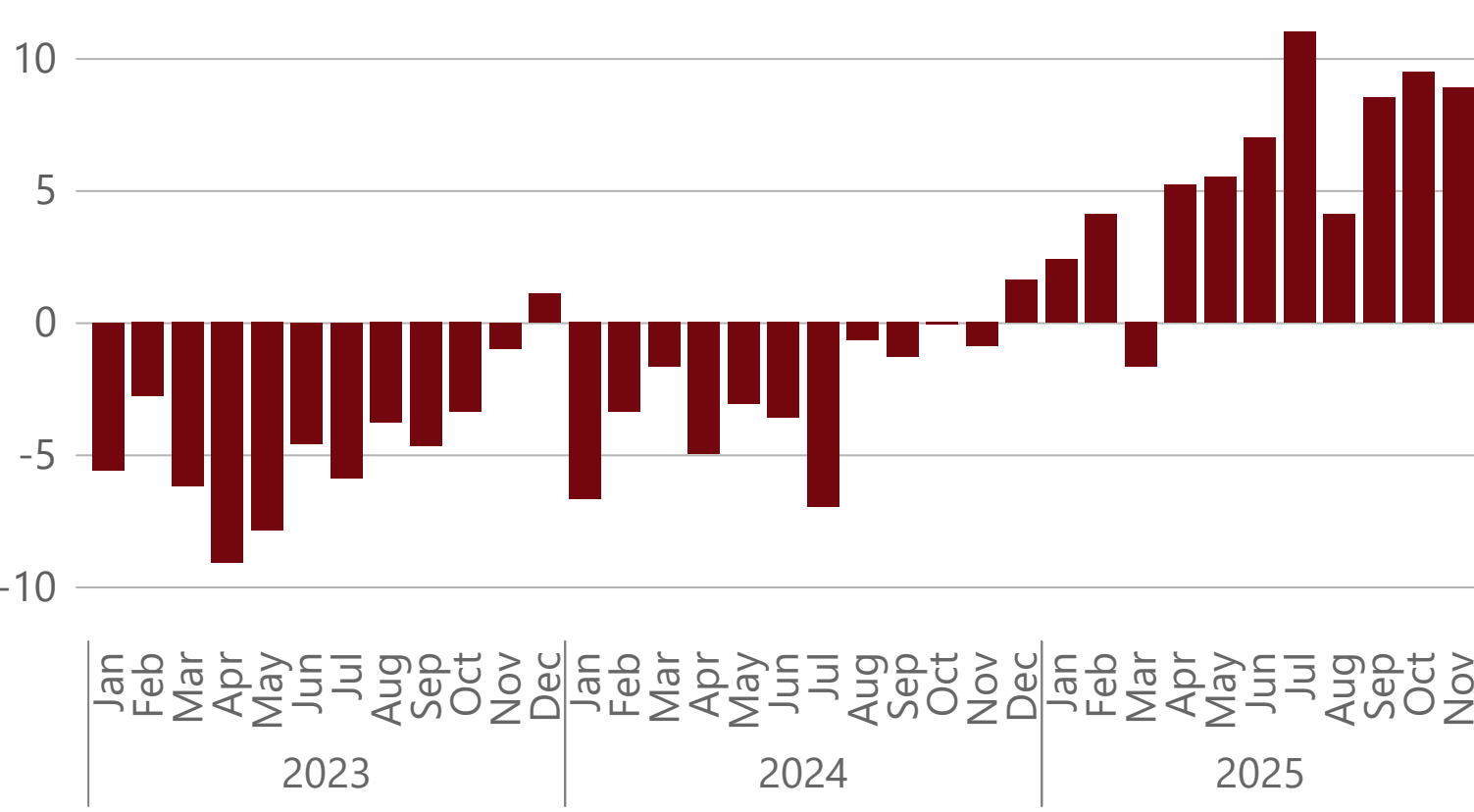
Source: CSB (30.09.2025), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2025)

INDUSTRIES

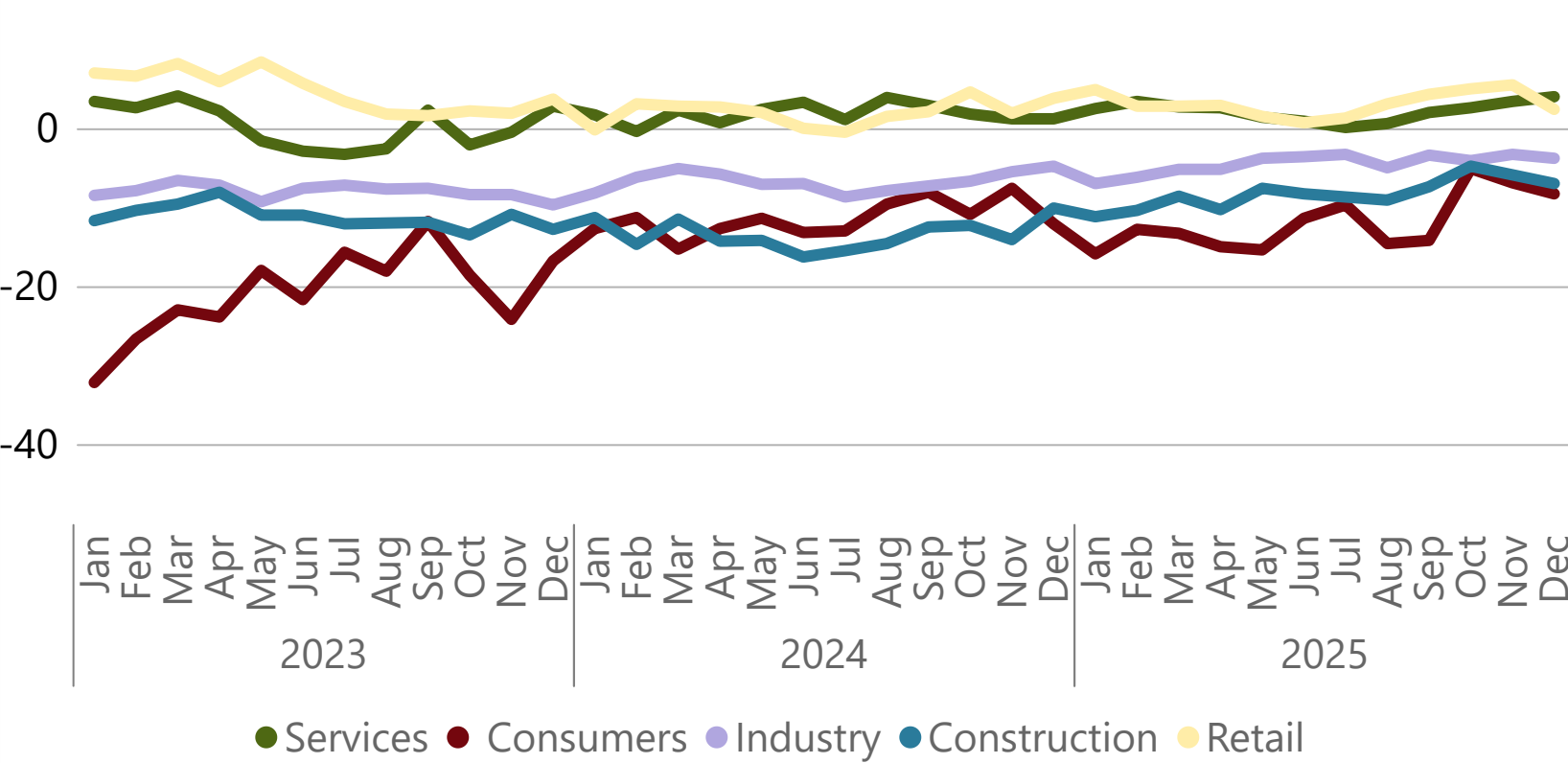
Retail trade growth, YoY%



Manufacturing output, YoY%

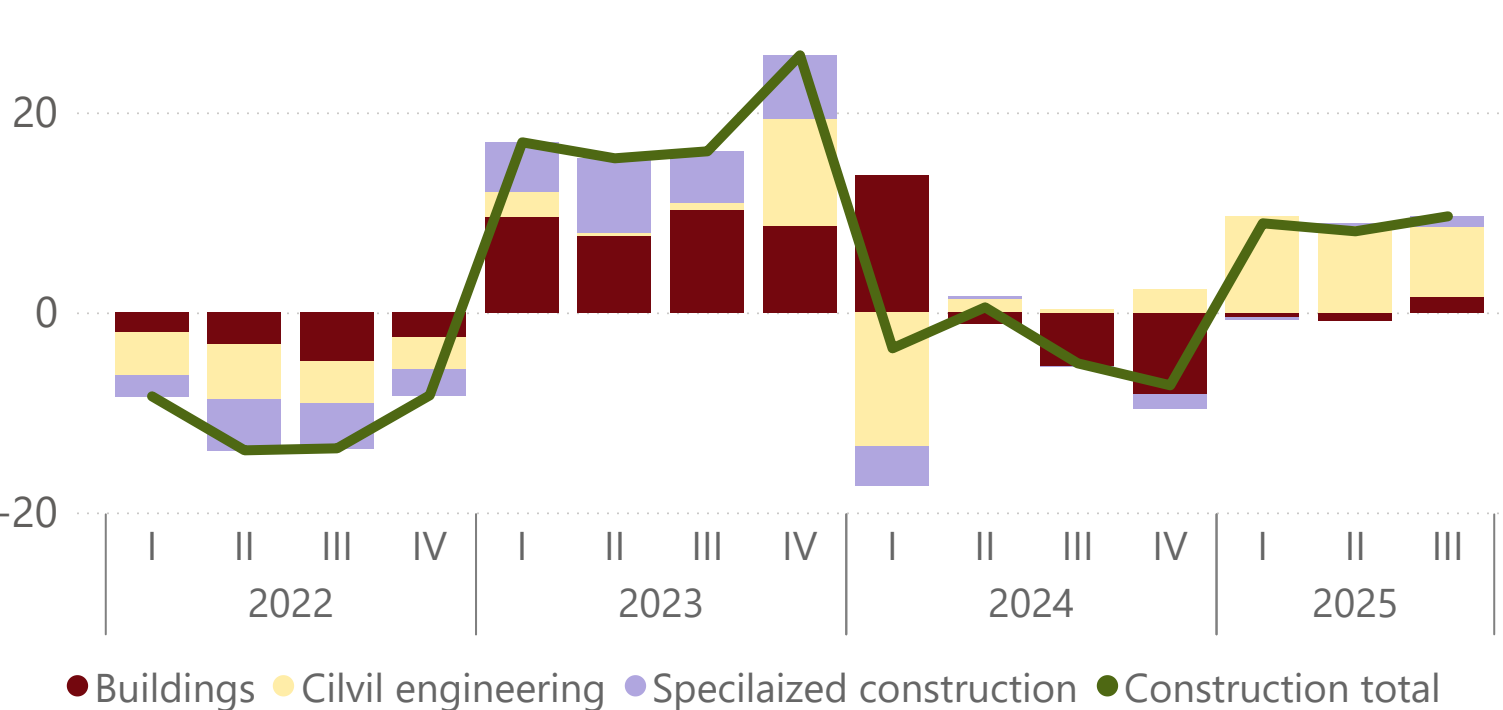


ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at comparable prices, index; % YoY



UNEMPLOYMENT

Registered unemployment

4.7%

December 2025

Labour force survey

6.8%

December 2025

Private sector

1 781€
(+8.3% YoY)

Q3 2025

WAGE

Public sector

1 886€
(+8.2% YoY)

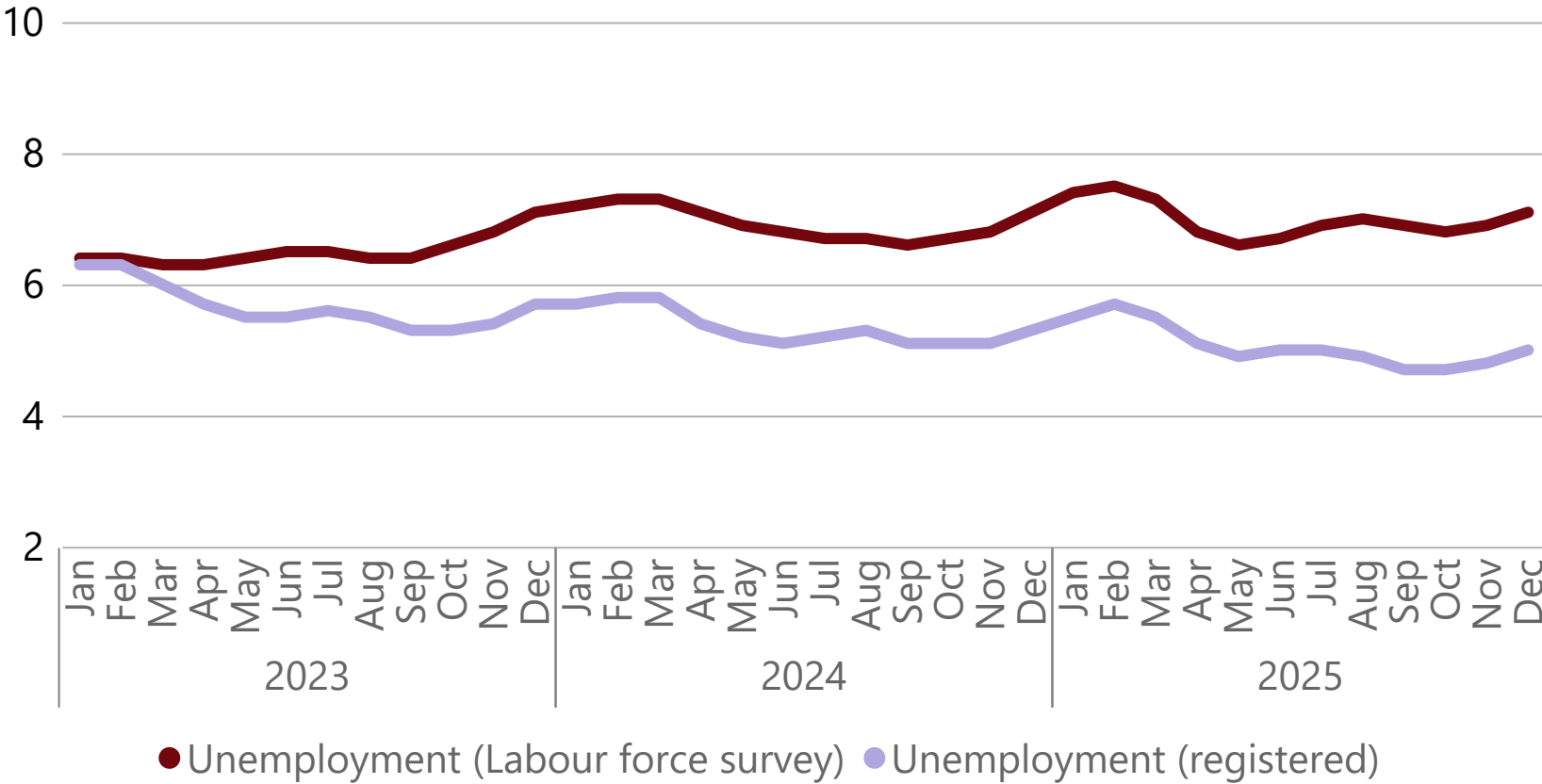
Q3 2025

Total

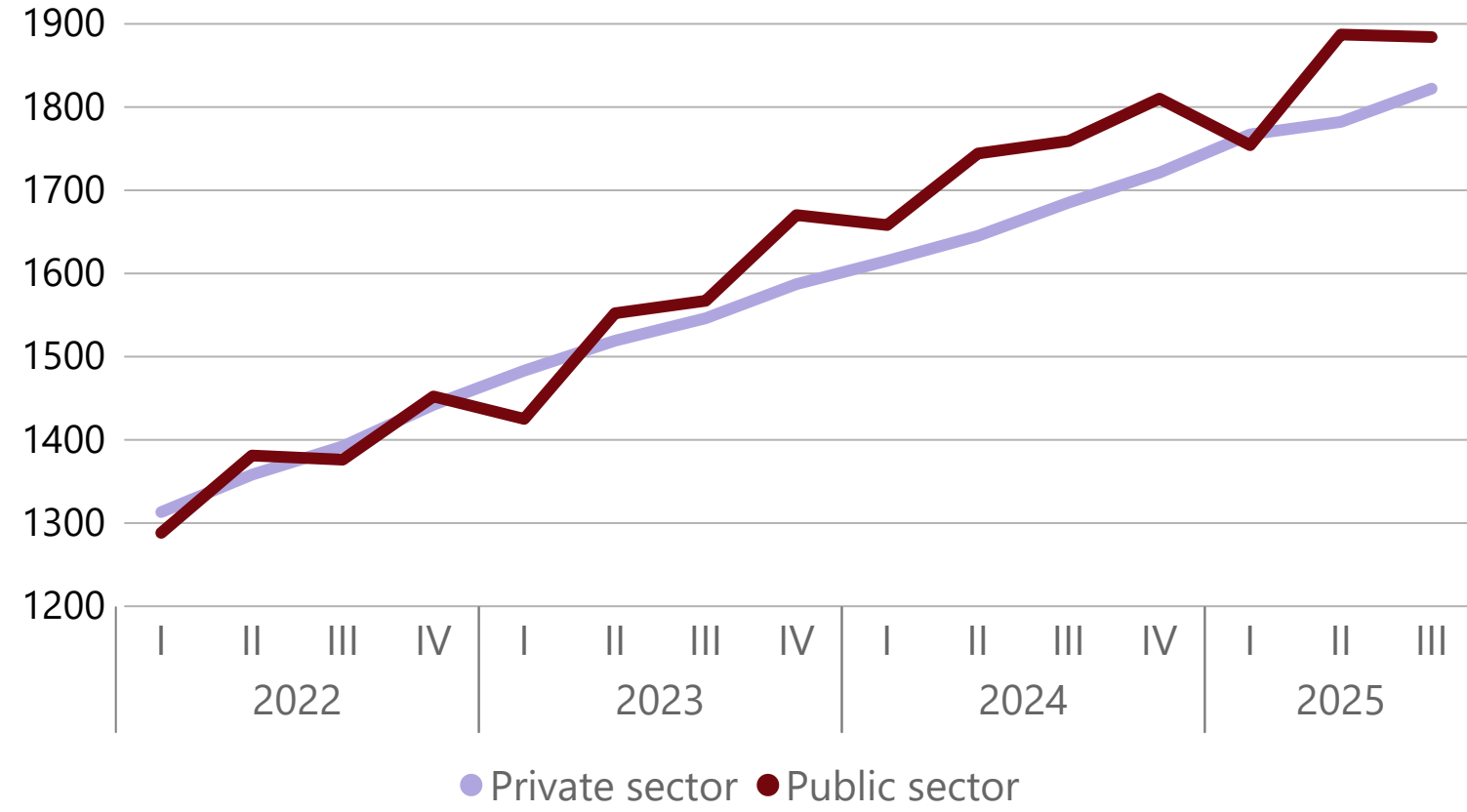
1 808€
(+8.2% YoY)

Q3 2025

Unemployment rate, %



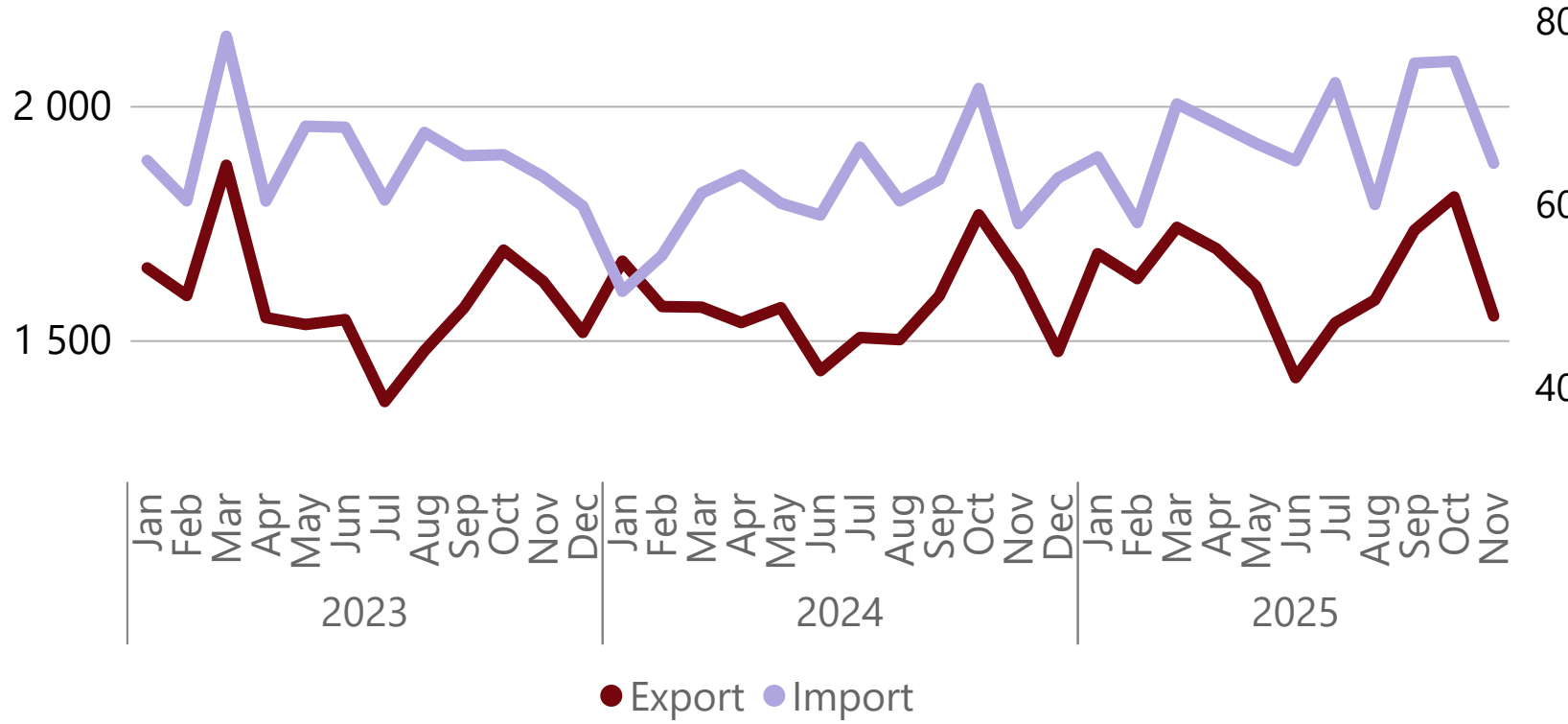
Average monthly gross wage, €



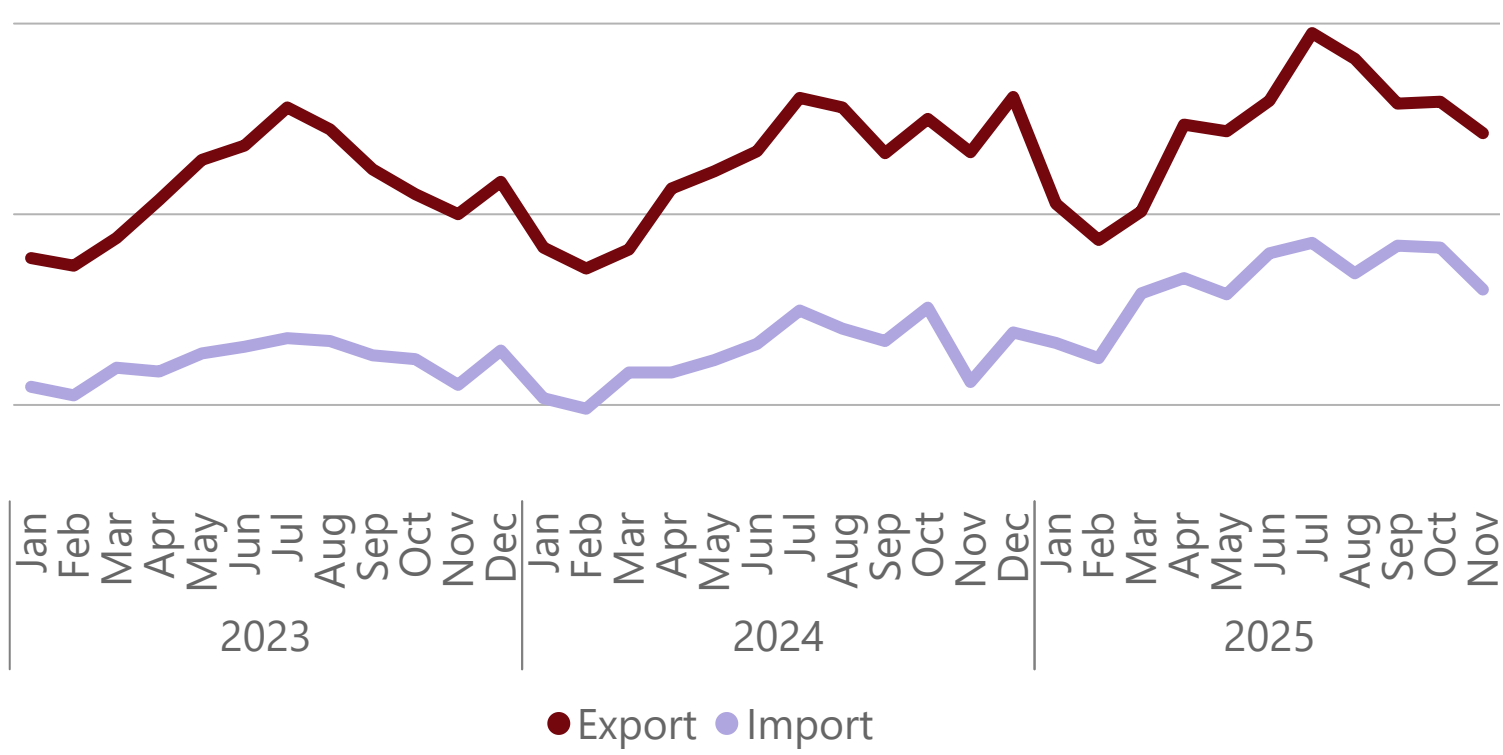
Source: CSB, State Employment Agency

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-2.4% of GDP

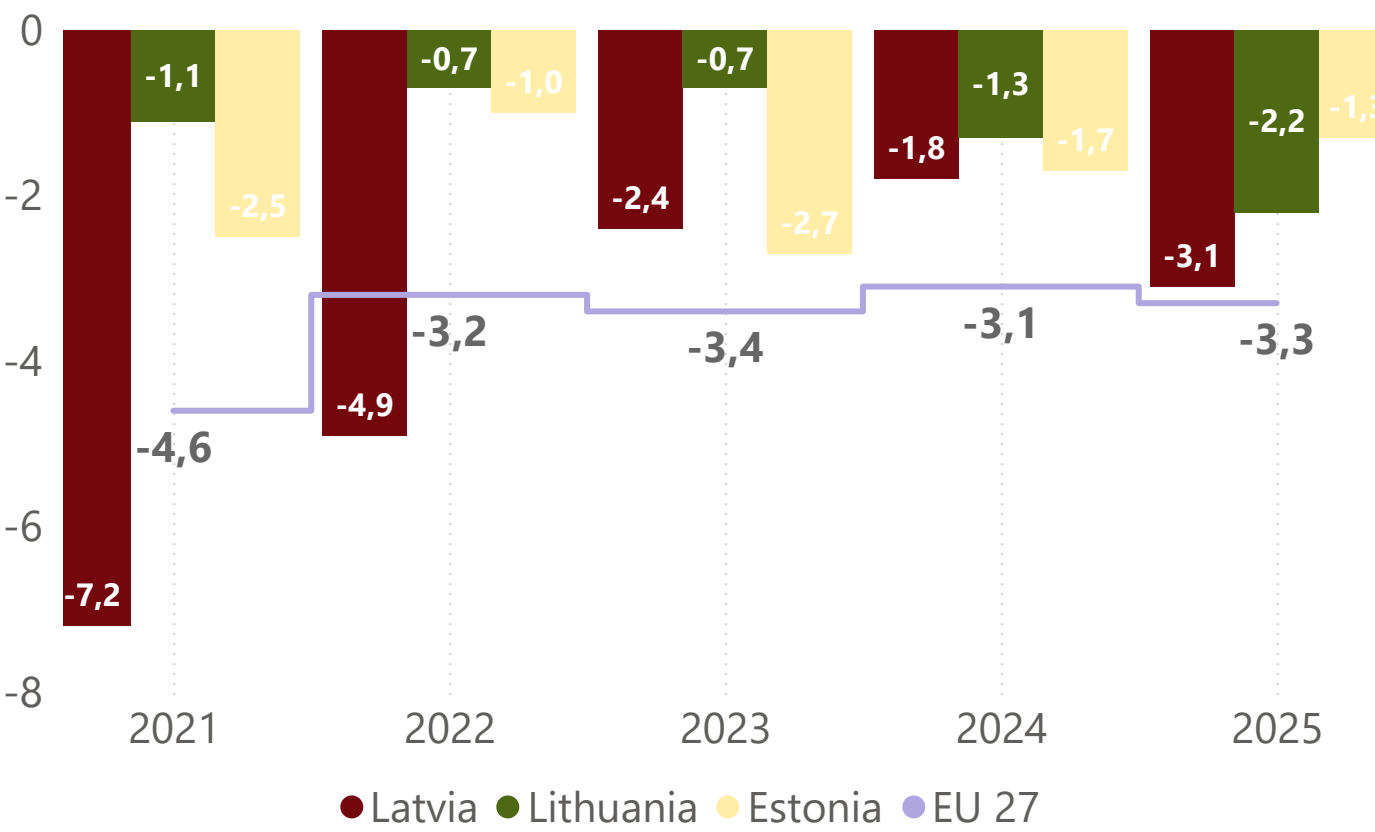
Assessment of MoF, January 2026

General government debt 2025

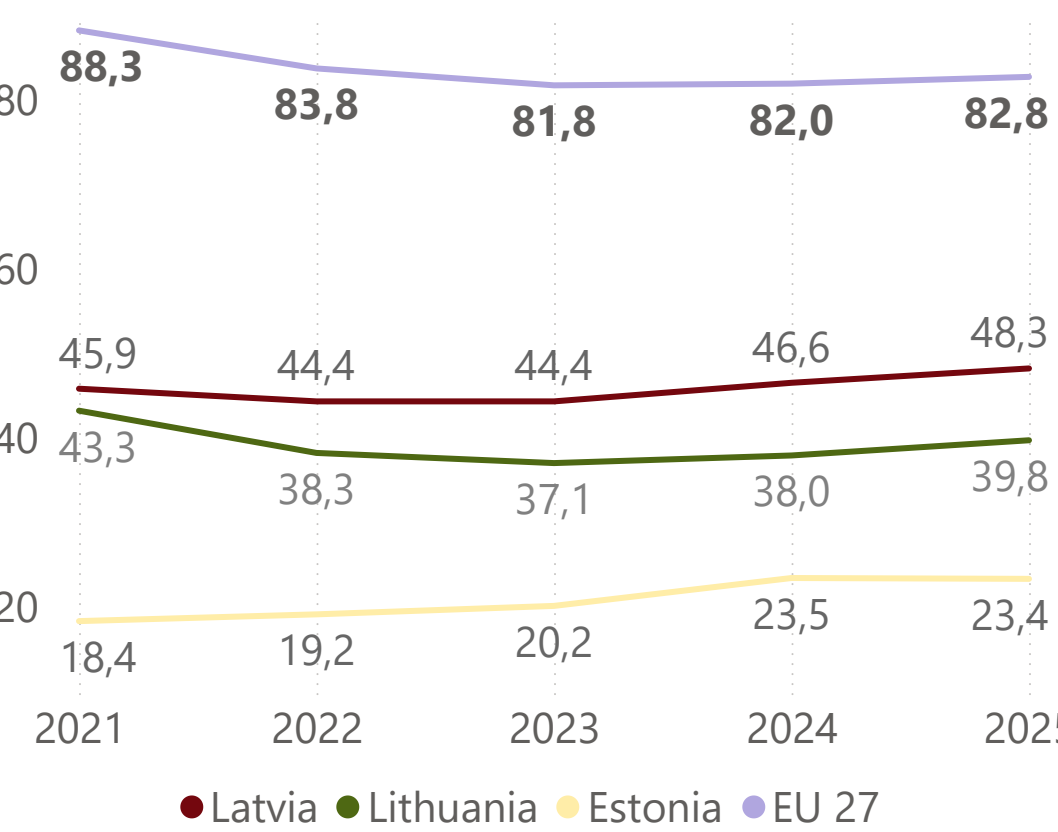
48.9% of GDP

Assessment of Treasury, January 2026

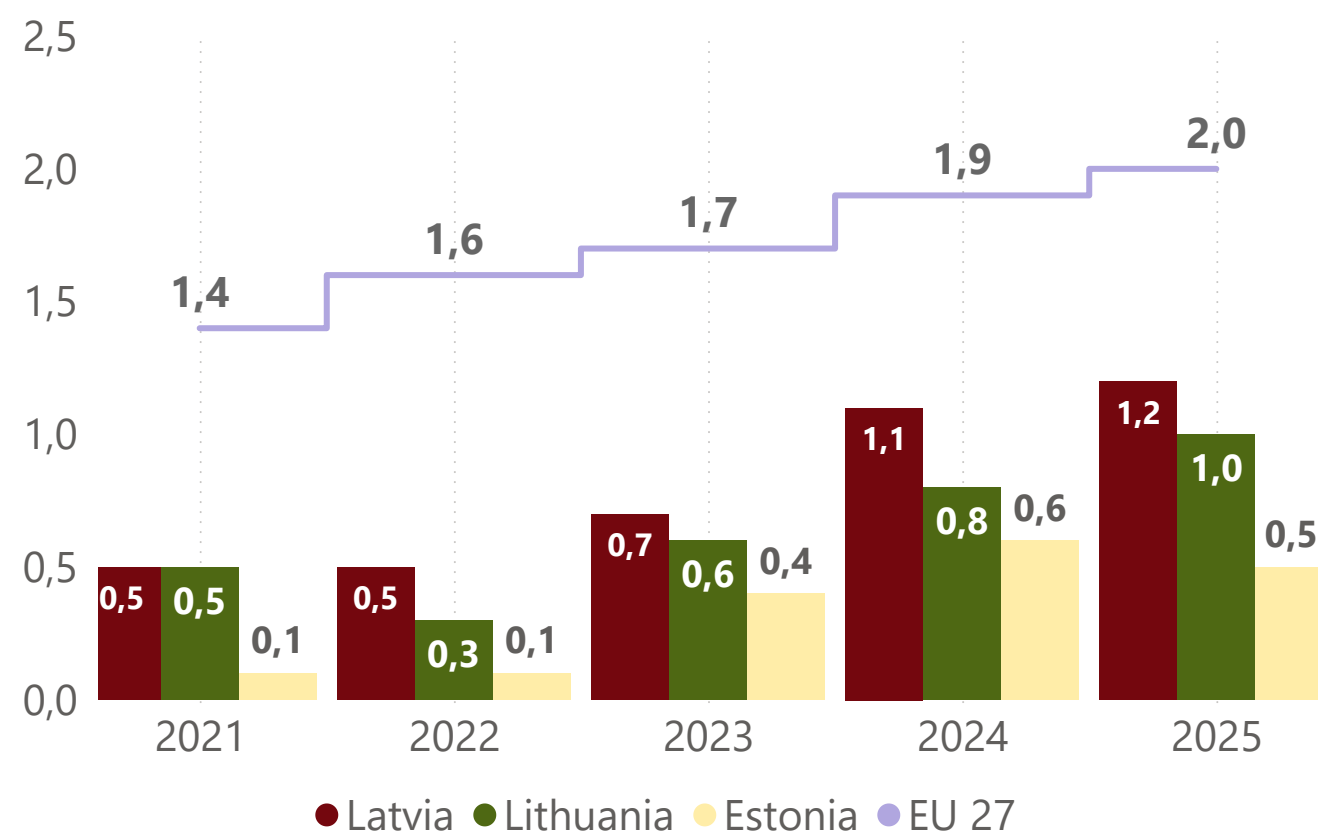
General government budget balance, % of GDP



General government debt, % of GDP



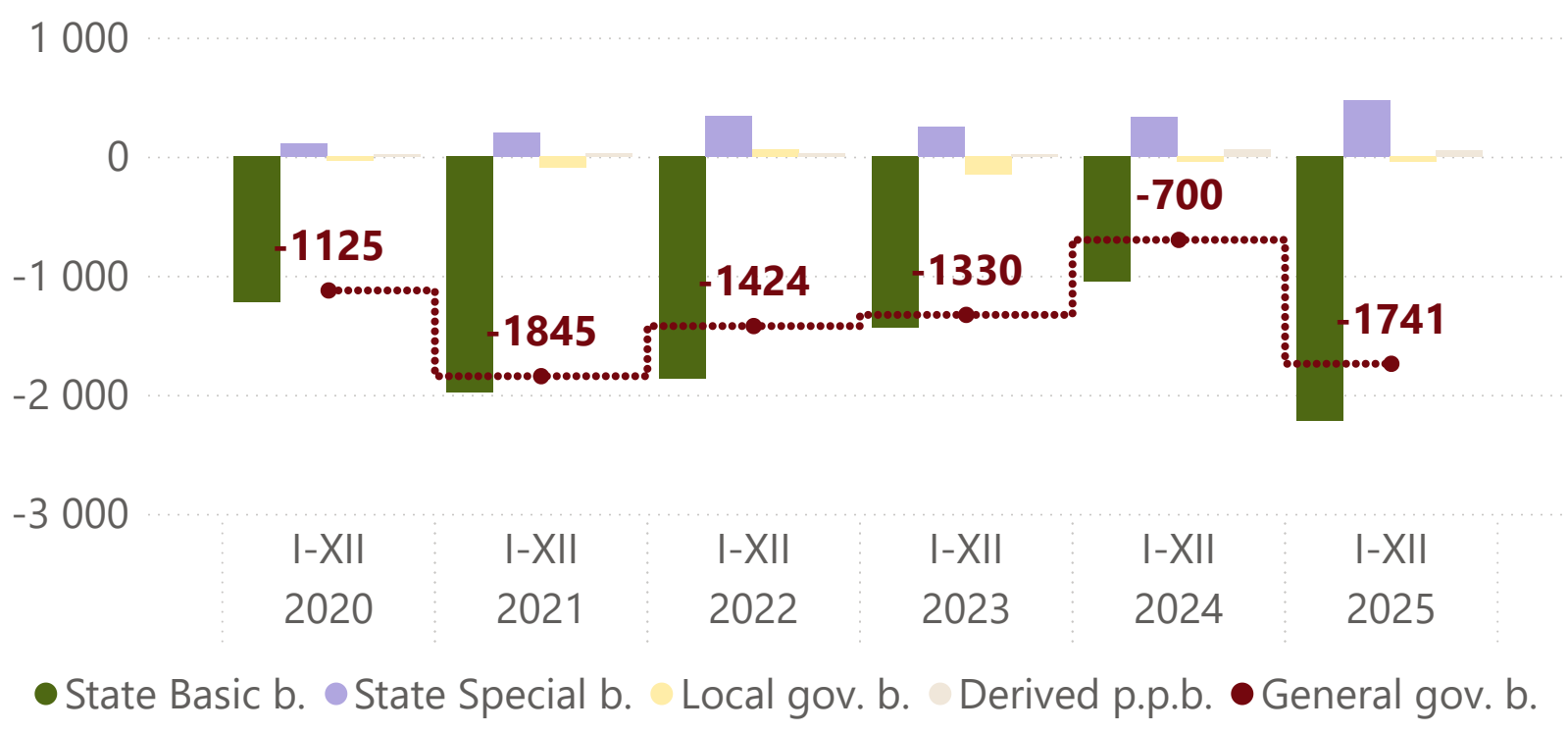
Interest expenditure (D.41), % of GDP



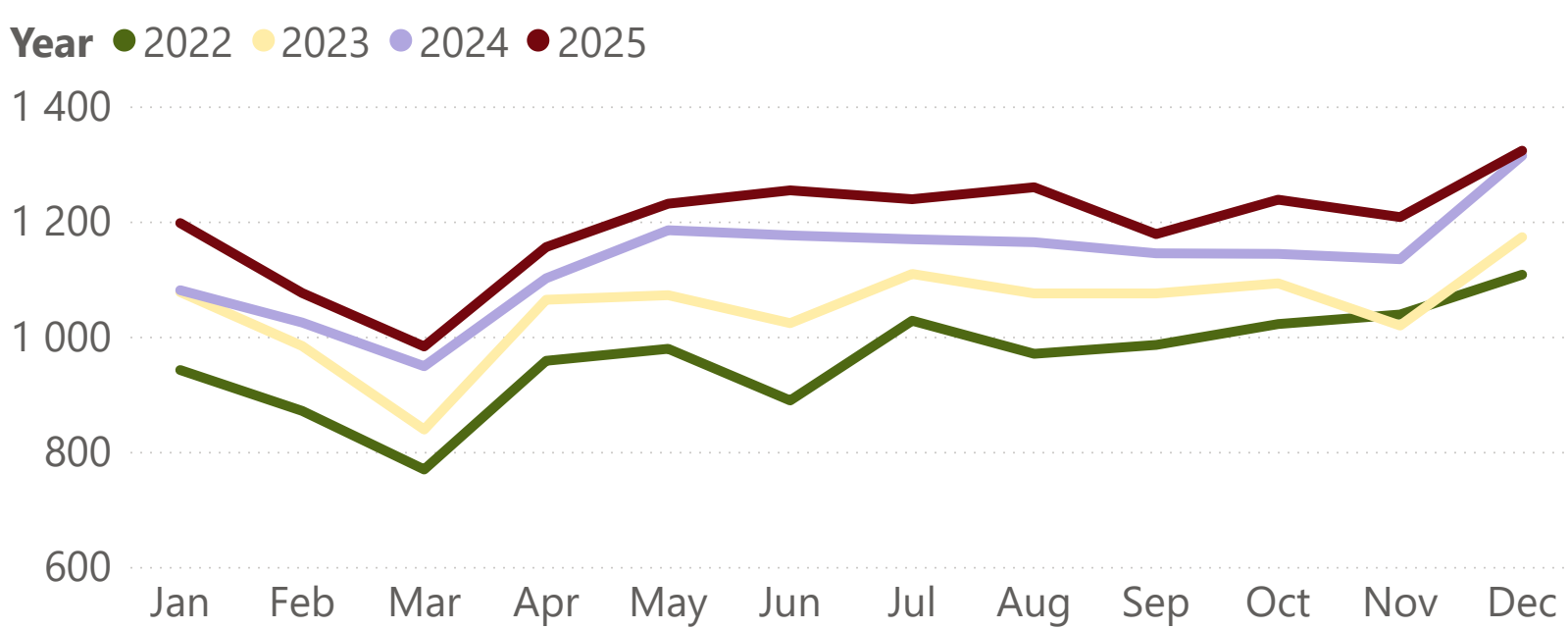
Source: Eurostat (2021-2024), AMECO forecast autumn 2025

GENERAL GOVERNMENT BUDGET 2025 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: State Treasury

General government budget tax revenue 2025, including revenue in the single tax account (- 30.7 mln €) and excluding SSC at the 2nd pension pillar (803.8 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	17 777,7	606,7	3,5%
Expenditure	19 518,4	1 647,0	9,2%
Balance	-1 740,7	-1 040,3	

General government budget tax revenue

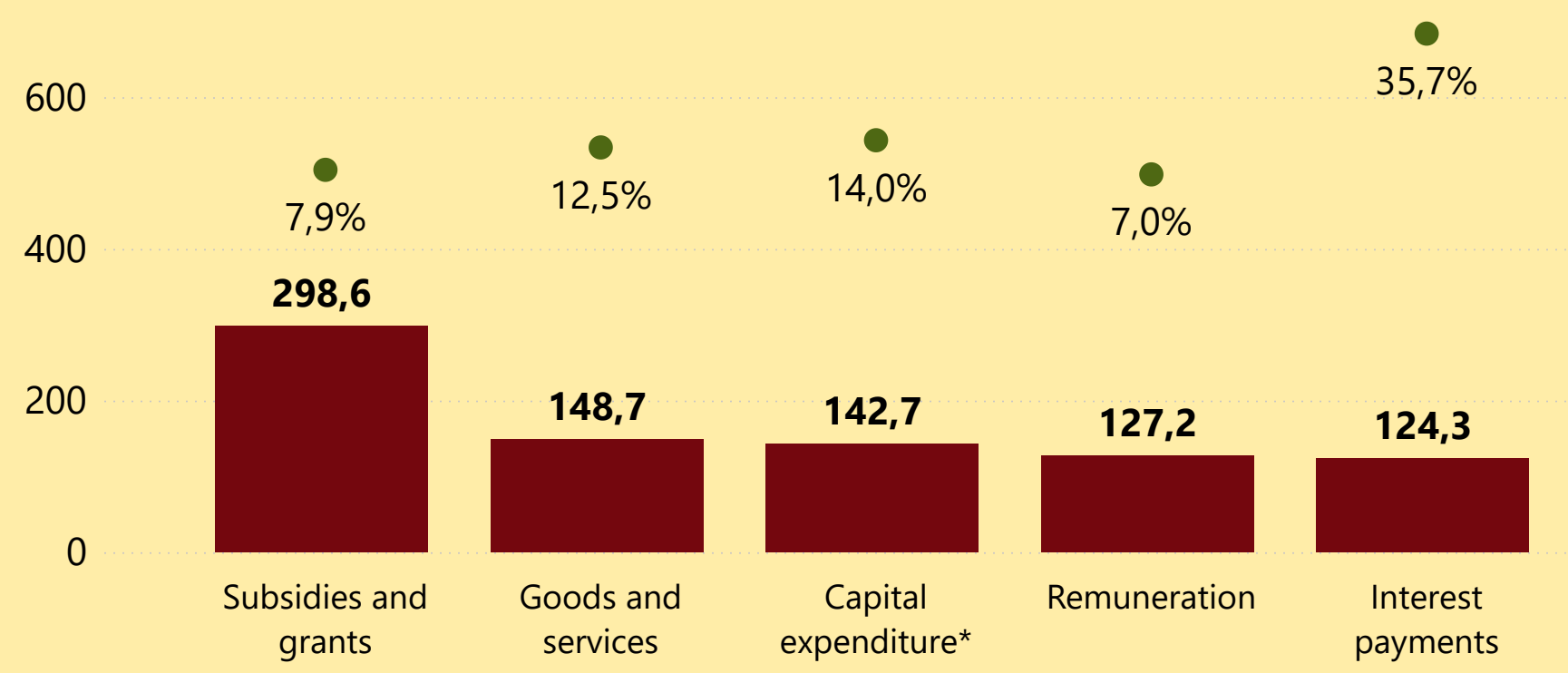
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	4 814,2	416,0	9,5%
VAT	4 099,7	217,4	5,6%
PIT	2 767,8	-43,2	-1,5%
EXCISE	1 244,8	54,0	4,5%
CIT	787,6	68,1	9,5%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	14 338,8	755,2	5,6%
Non tax revenue	1 143,5	-74,3	-6,1%
Self-earned revenue	566,5	34,6	6,5%
Foreign financial assistance	1 726,4	-109,5	-6,0%
Expenditure			
Remuneration	4 346,3	262,4	6,4%
Goods and services	2 335,3	203,6	9,6%
Interest payments	423,9	51,9	14,0%
Subsidies and grants	4 353,9	303,7	7,5%
Social support	5 631,6	427,5	8,2%
Payments to EU budget	380,2	19,3	5,3%
Capital expenditure	1 897,6	347,6	22,4%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	10 116,4	85,2	0,8%
Expenditure	12 338,6	1 257,8	11,4%
Balance	-2 222,2	-1 172,6	

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



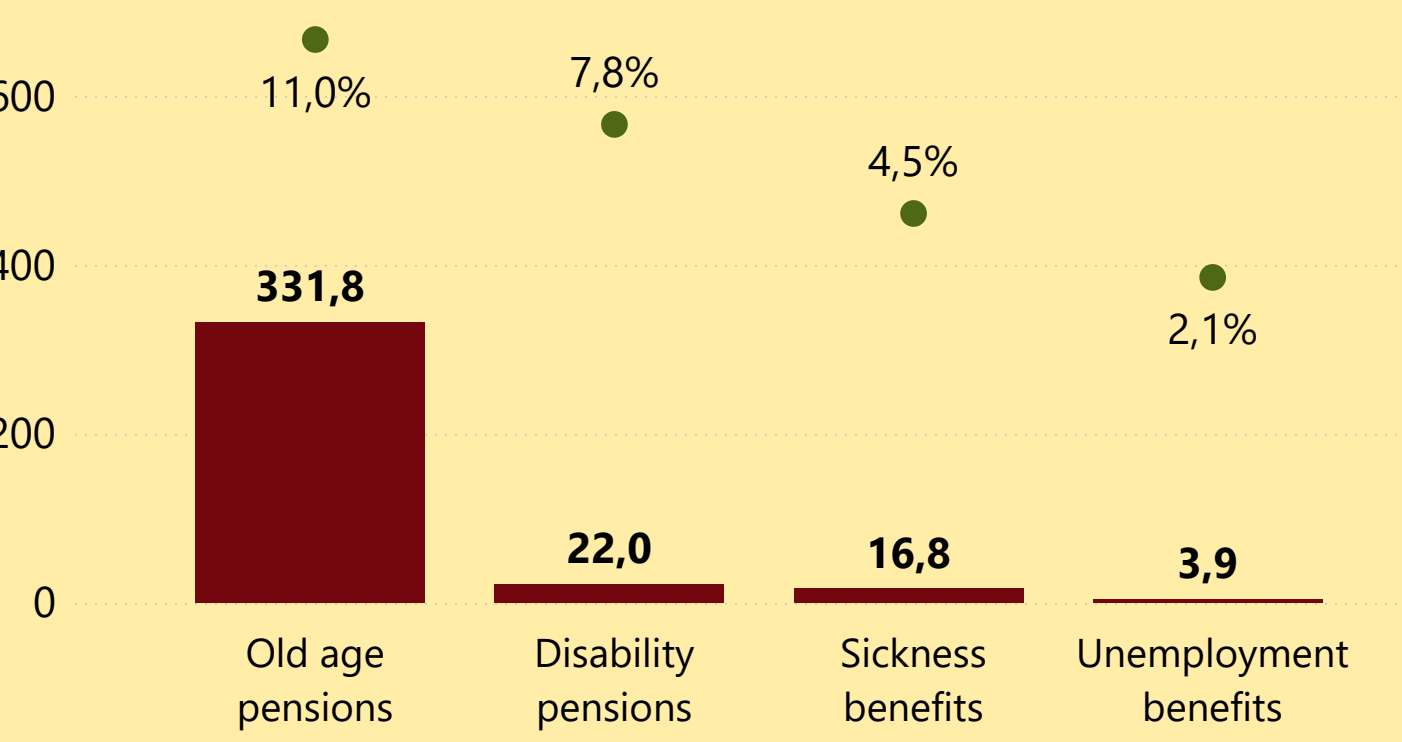
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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

STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	5 189,4	540,3	11,6%
Expenditure	4 714,1	402,2	9,3%
Balance	475,2	138,1	

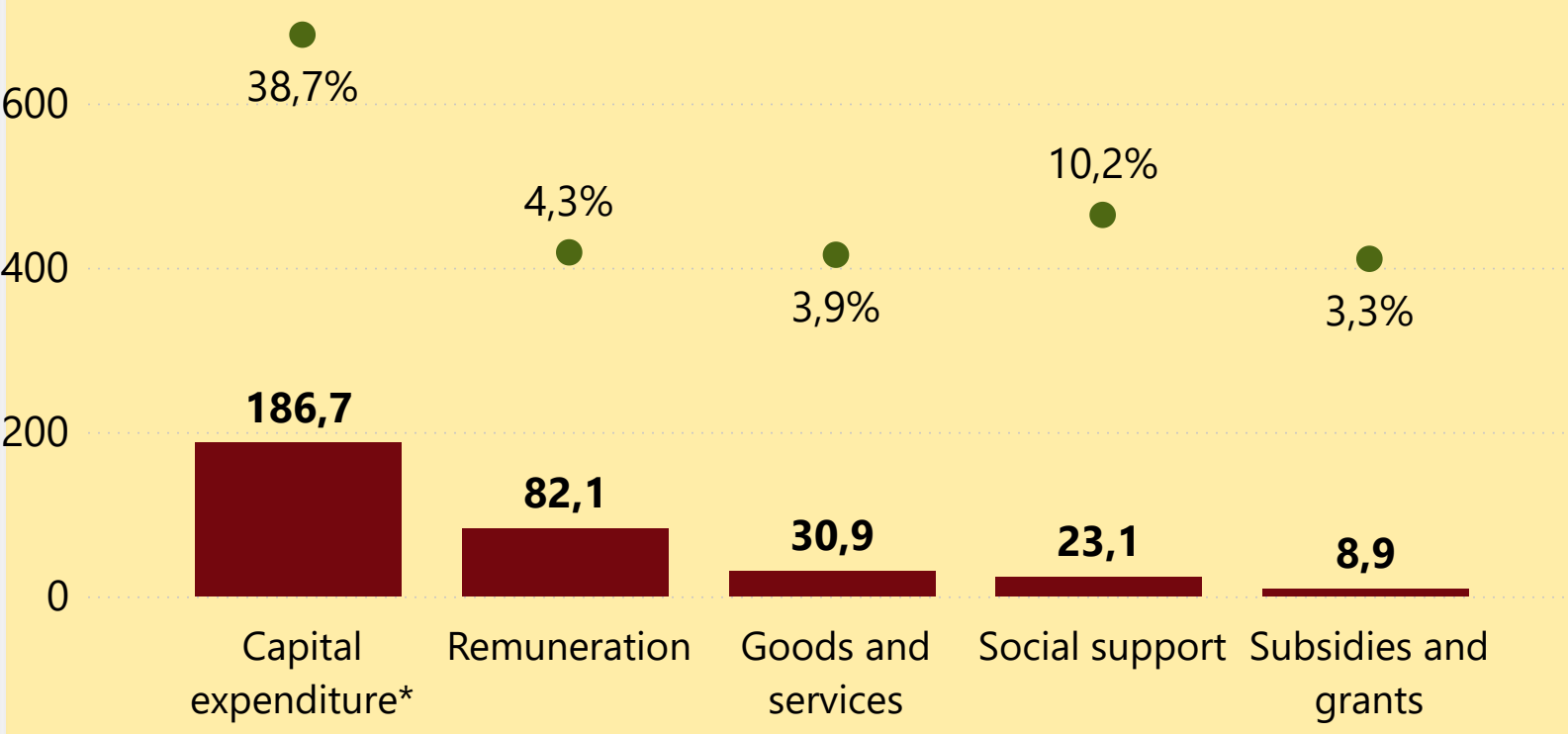
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

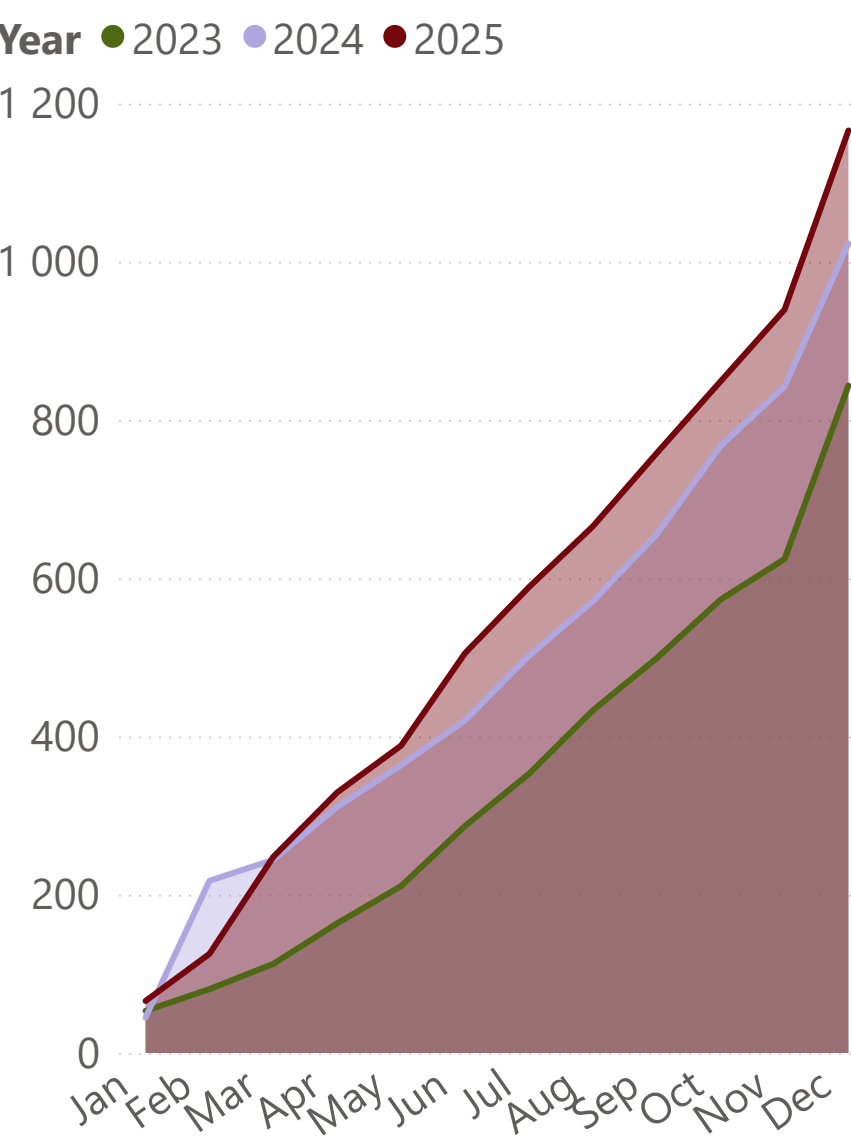
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 061,5	313,7	8,4%
Expenditure	4 108,7	312,6	8,2%
Balance	-47,2	1,1	

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

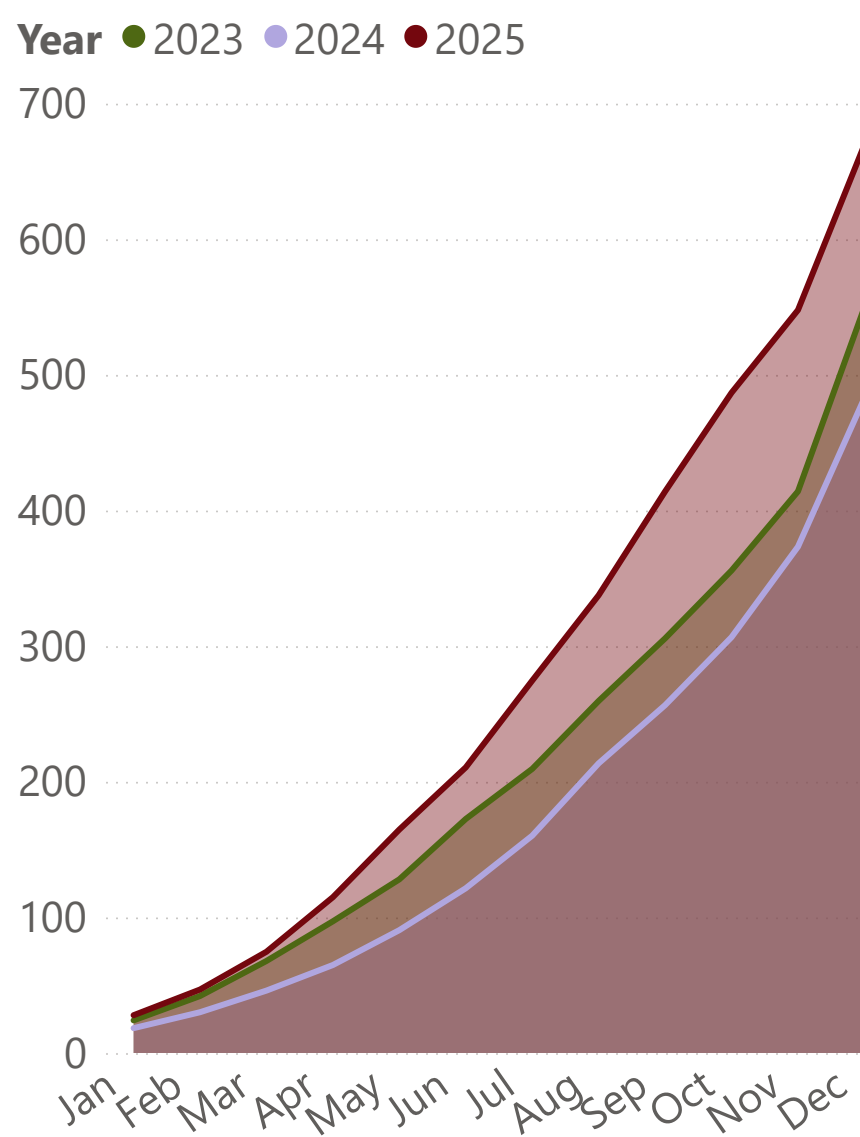


CAPITAL EXPENDITURE

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

427 331
(+0.2% YoY)
I-XII 2025

Unemployment benefit recipients

30 758
(-5.9% YoY)
I-XII 2025

Old-age pensions average amount

616€
(+11.9% YoY)
I-XII 2025

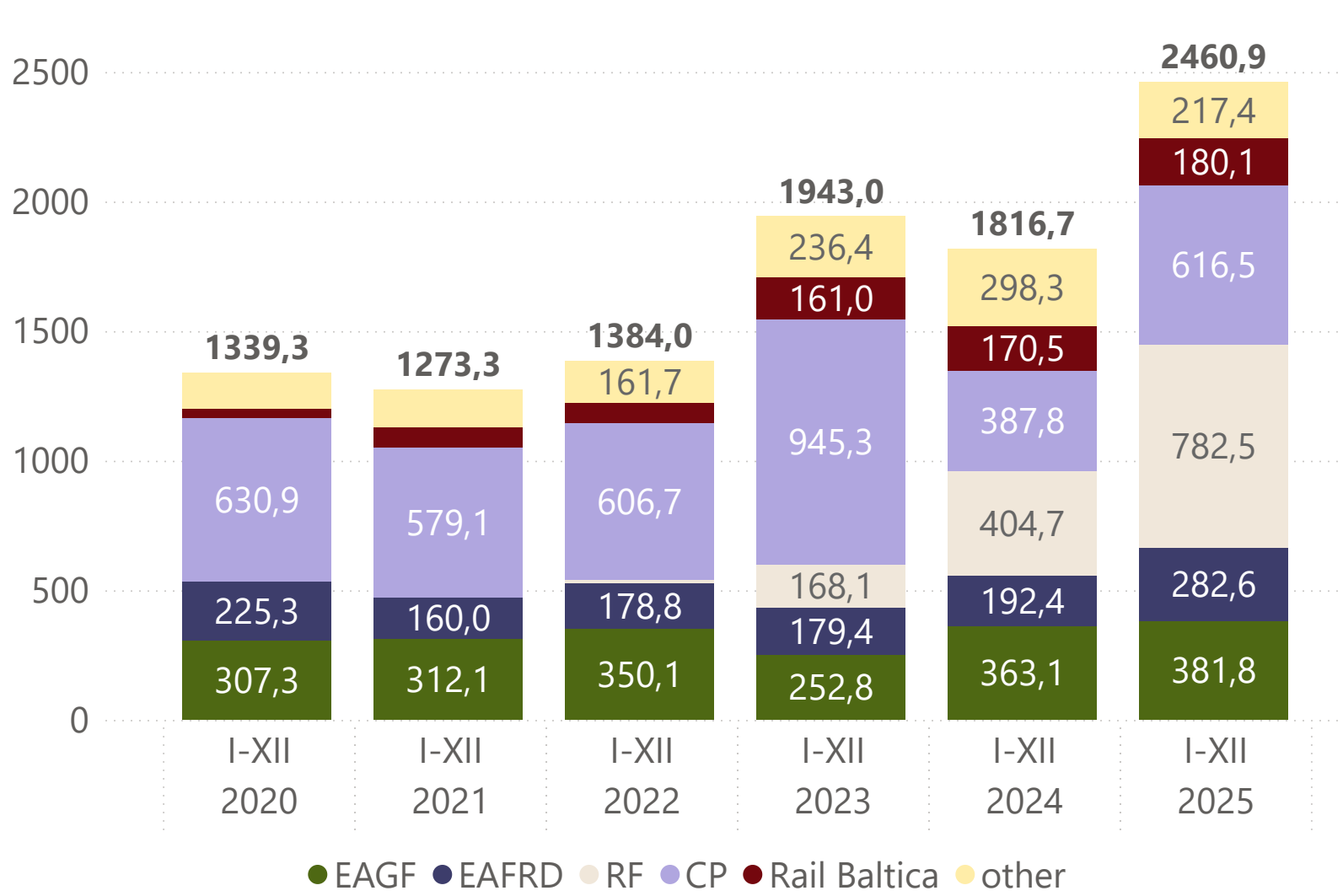
Unemployment benefit average amount

511€
(+8.6% YoY)
I-XII 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, MoF