

MACROECONOMIC AND BUDGETARY REVIEW 2025

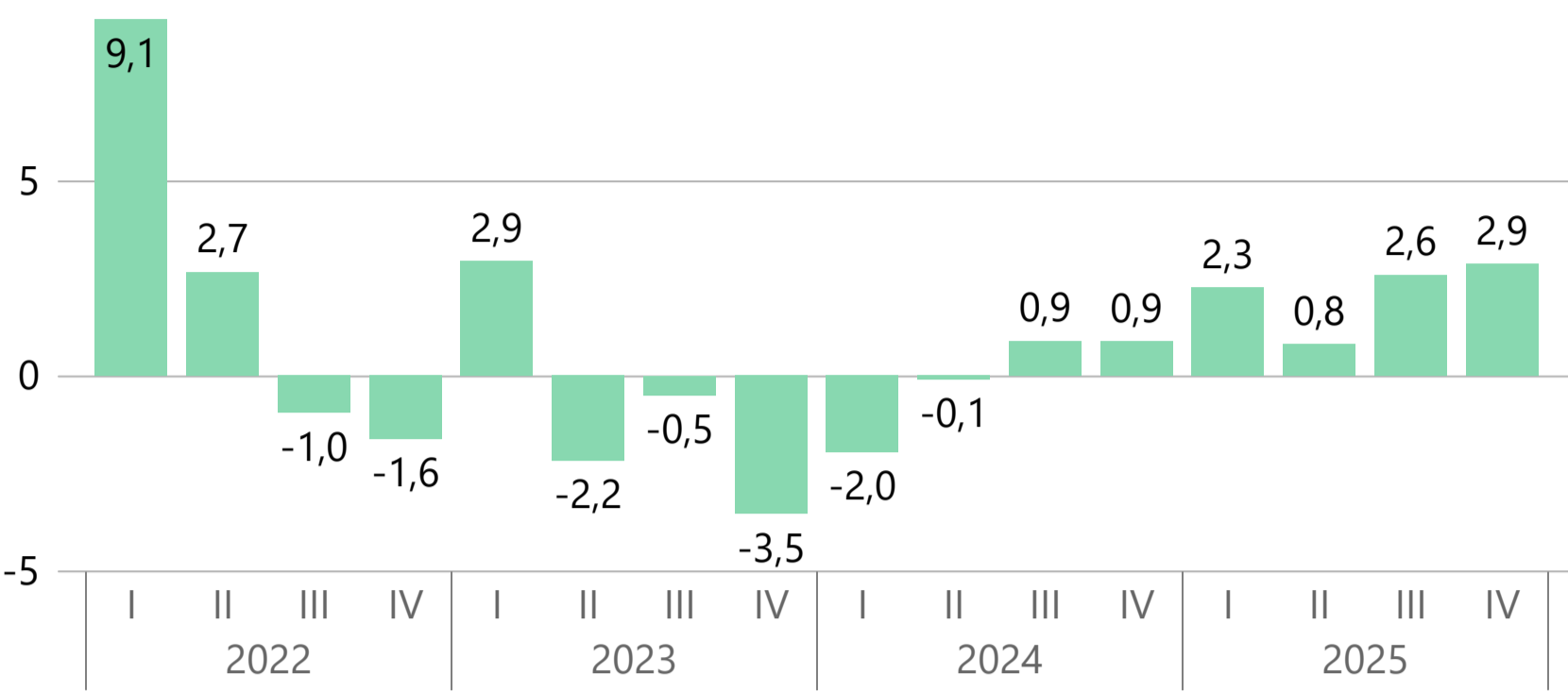
No 2/2026

GROSS DOMESTIC PRODUCT (GDP)

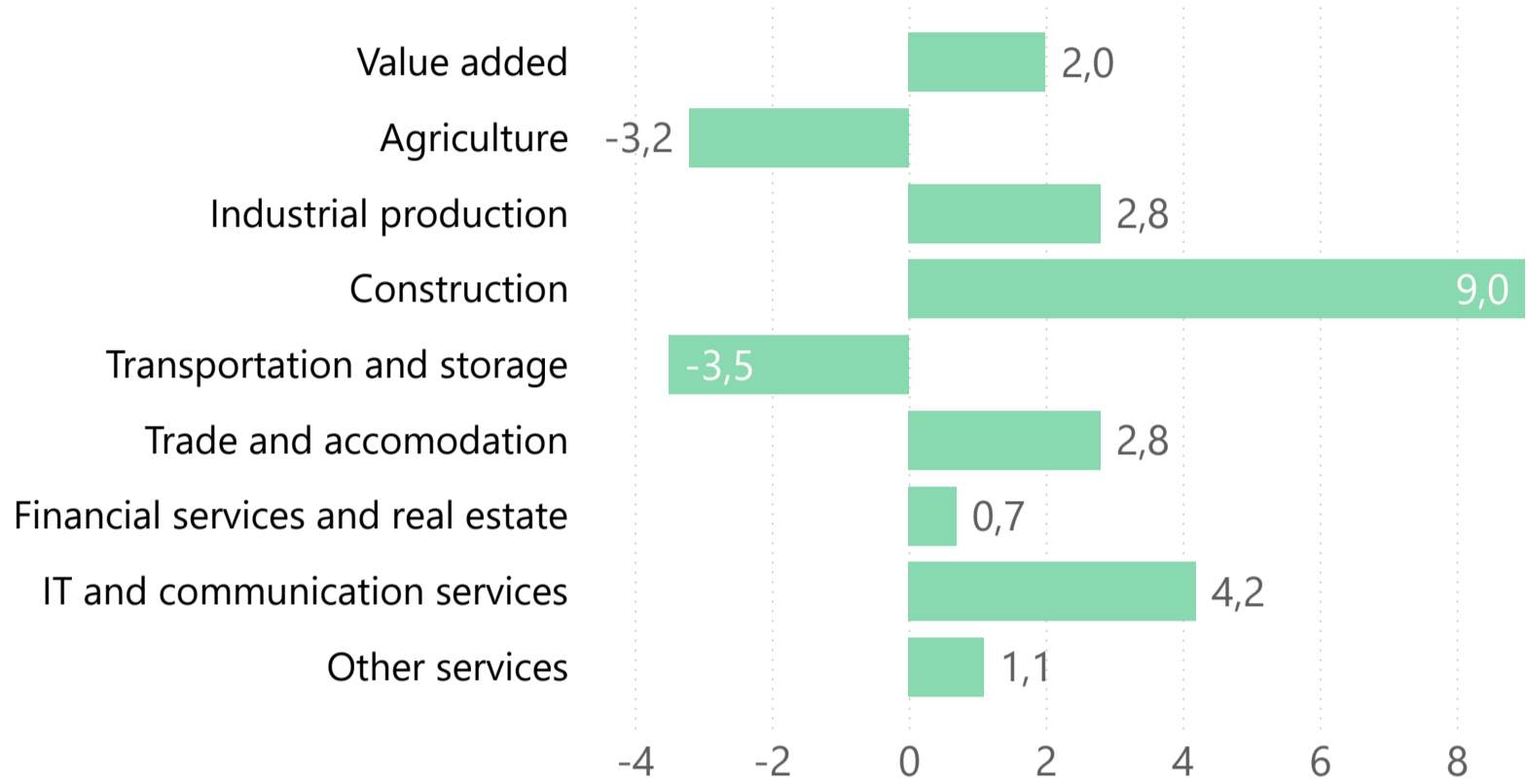
GDP 2025
Current prices
43 026 mln €
CSB, 27.02.2026

GDP forecast 2026
Comparable prices
2.6%
MoF February 2026

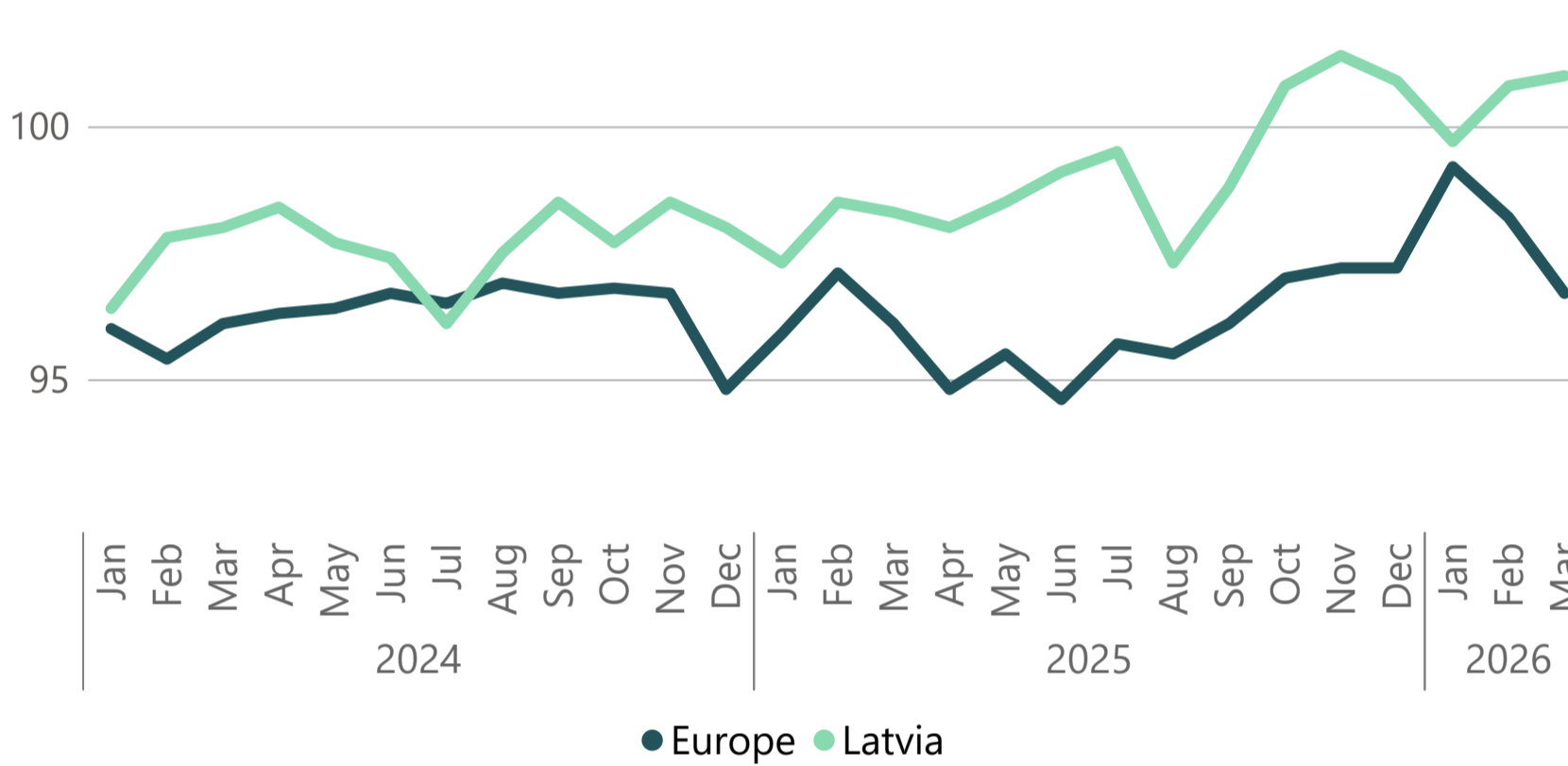
GDP growth, YoY%



GDP growth by sectoral breakdown 2025/2024



ESI Economic confidence



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

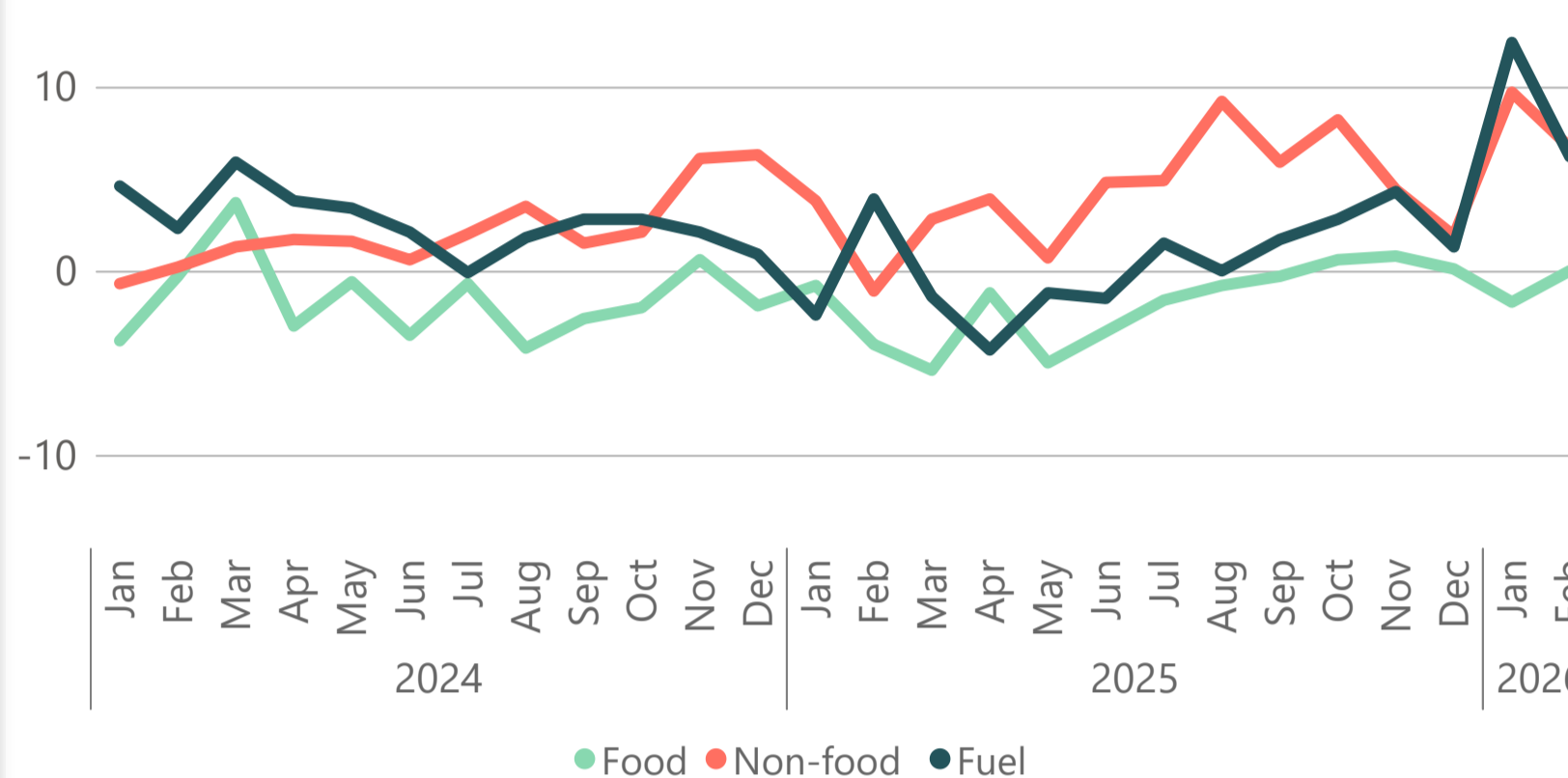
MAIN MACROECONOMIC INDICATORS

Indicator	2021	2022	2023	2024	2025	2026*	2027*	2028*	2029*	2030*
Nominal GDP, billions euro	32,3	36,1	39,6	40,7	43	45,6	48,3	50,9	53,7	56,5
Nominal GDP growth, %	10,5	11,8	9,6	2,8	5,8	6,1	5,8	5,6	5,3	5,4
Real GDP growth, %	6,9	1,9	-0,9	0	2,1	2,6	2,7	2,6	2,5	2,5
GDP deflator, % change	3,3	9,7	10,7	2,8	3,6	3,3	3	2,9	2,8	2,8
Consumer price index, % change	3,3	17,3	8,9	1,3	3,7	2,9	2,6	2,6	2,3	2,3
Average monthly gross wage, EUR	1277	1373	1537	1685	1815	1933	2049	2172	2302	2429
nominal growth, %	11,7	7,5	11,9	9,6	7,7	6,5	6	6	6	5,5
real growth, %	8,2	-8,4	2,8	8,3	3,8	3,5	3,3	3,3	3,6	3,1
Number of persons employed, thsd	864	886	884	877	883	883	881	879	874	870
growth, %	-3,2	2,6	-0,2	-0,8	0,6	0	-0,2	-0,3	-0,5	-0,5
Unemployment rate, %	7,6	6,9	6,5	6,9	6,9	6,6	6,2	6	6	5,8

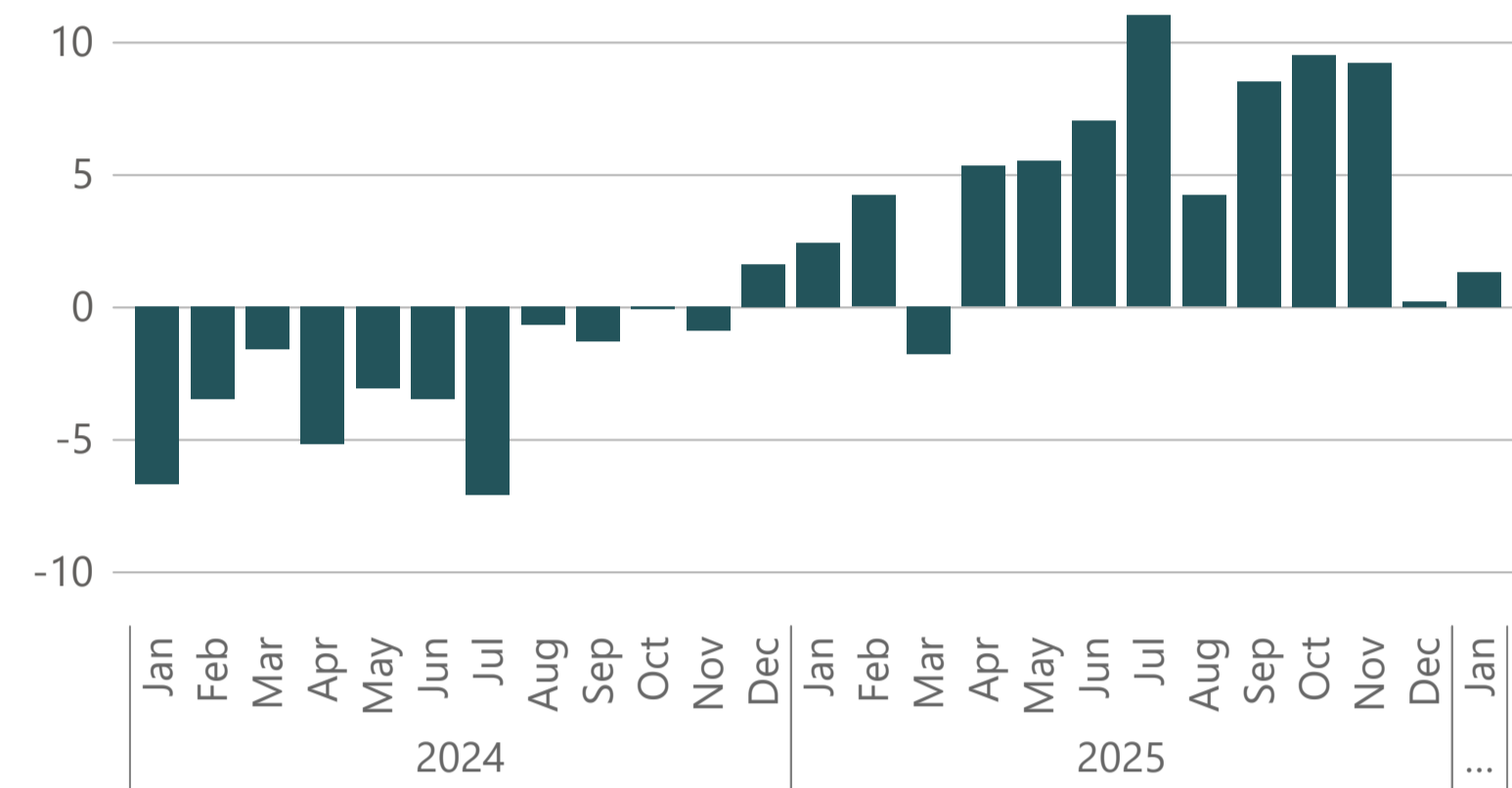
Source: CSB (27.02.2026), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2026)

INDUSTRIES

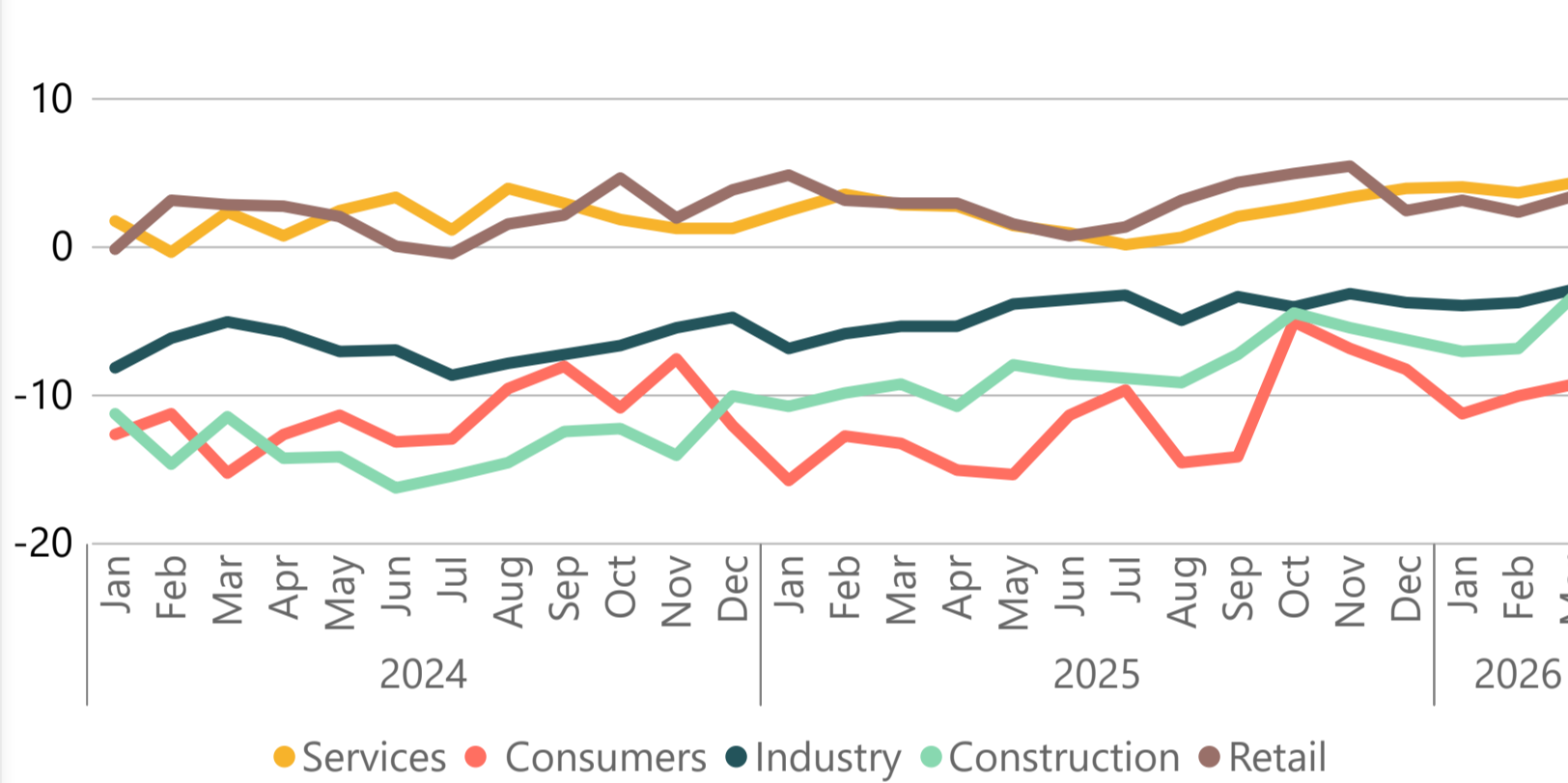
Retail trade growth, YoY%



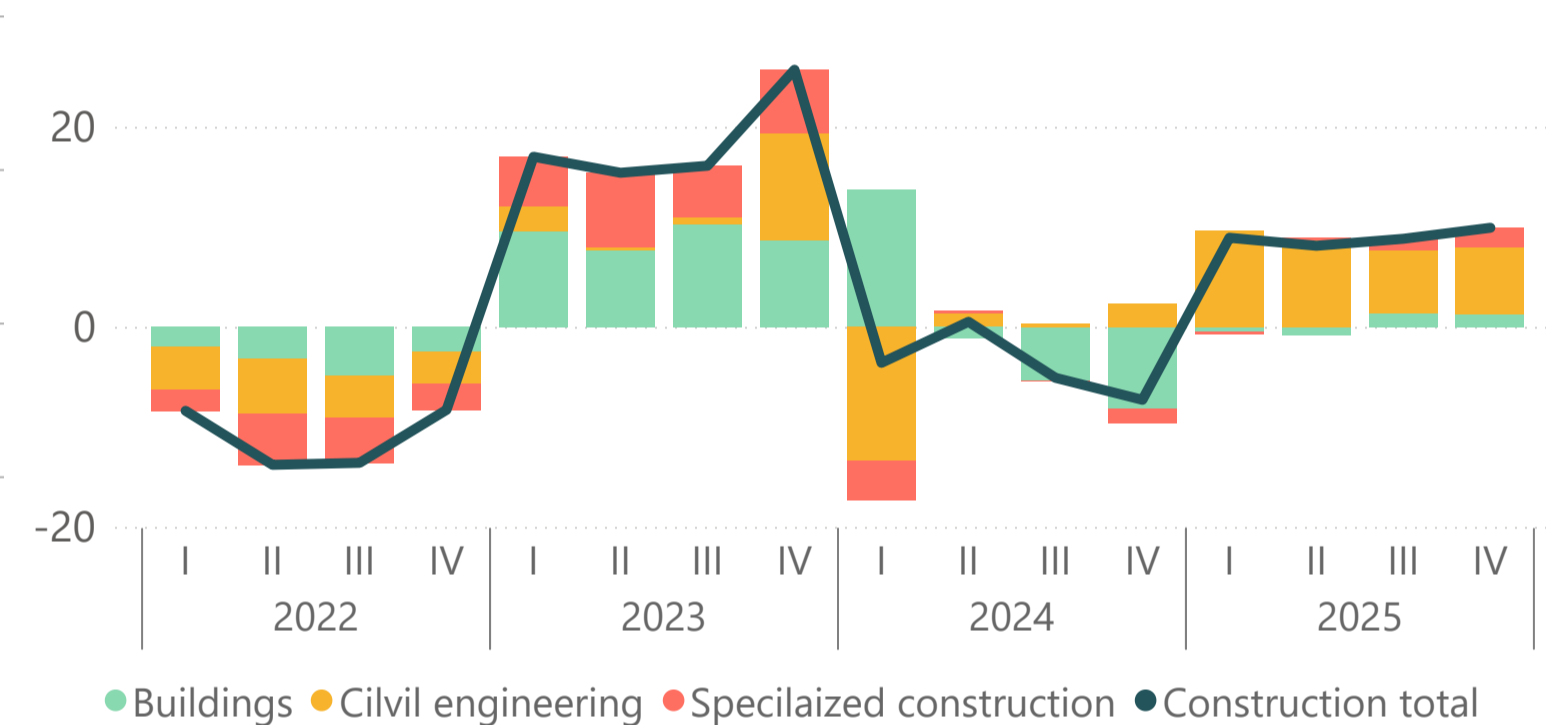
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY



Source: CSB, European Commission

INFLATION

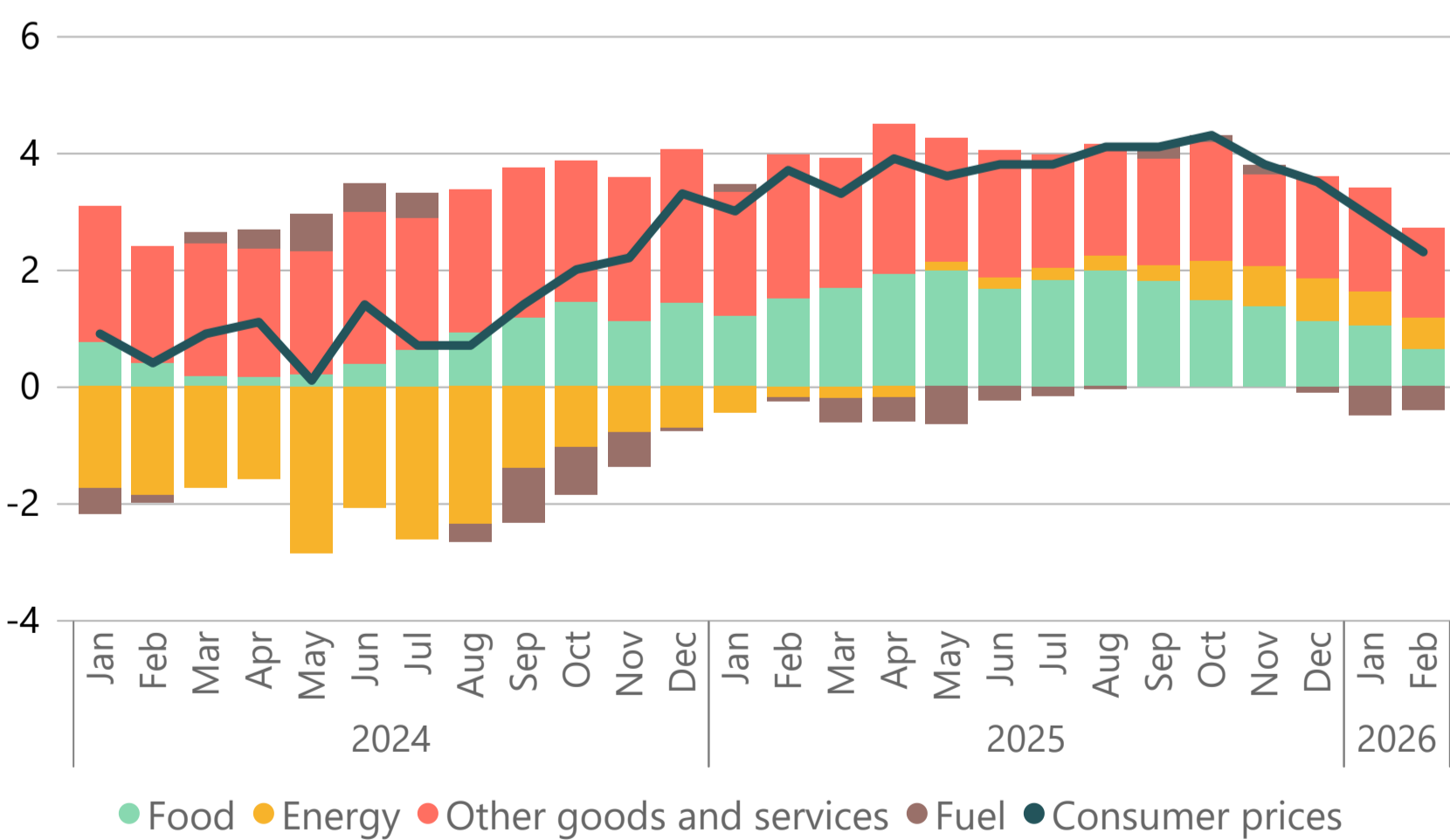
Consumer prices

2.3%
February 2026

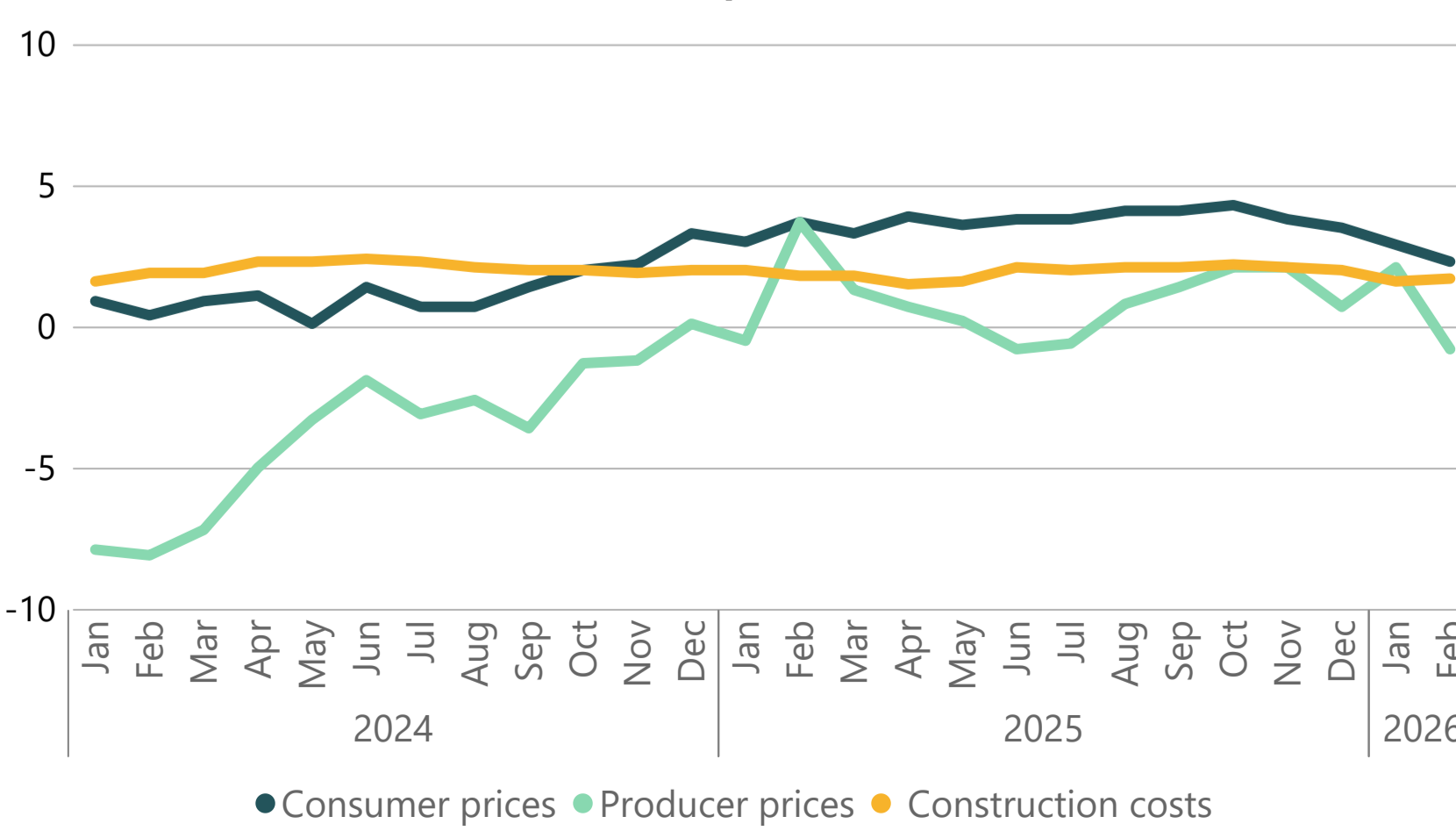
Producer prices

-0.8%
February 2026

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

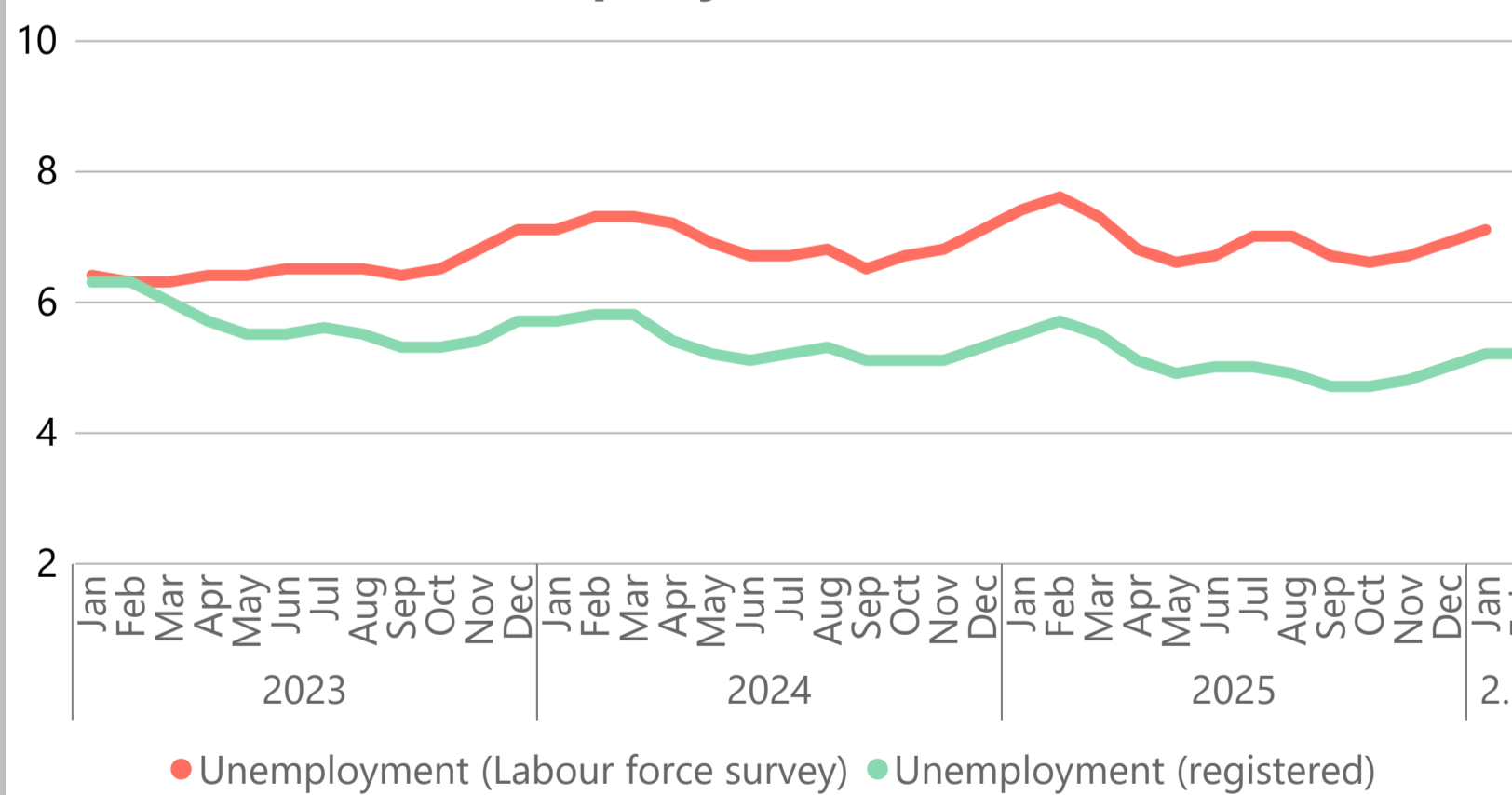
Registered unemployment

5.2%
February 2026

Number of registered unemployed YoY

-8.3%
February 2025

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 833€
(+6.6% YoY)
Q4 2025

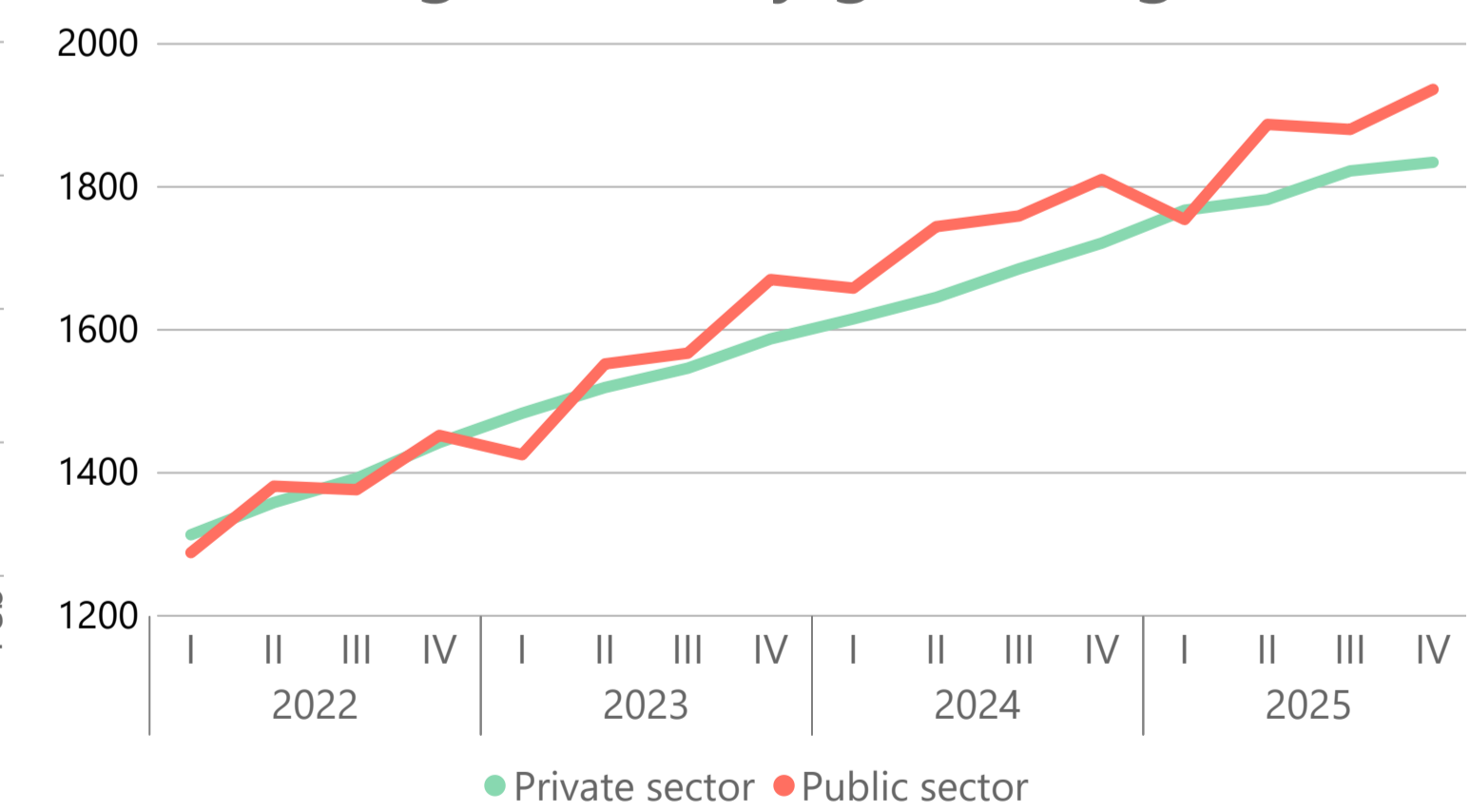
Public sector

1 935€
(+7.0% YoY)
Q4 2025

Total

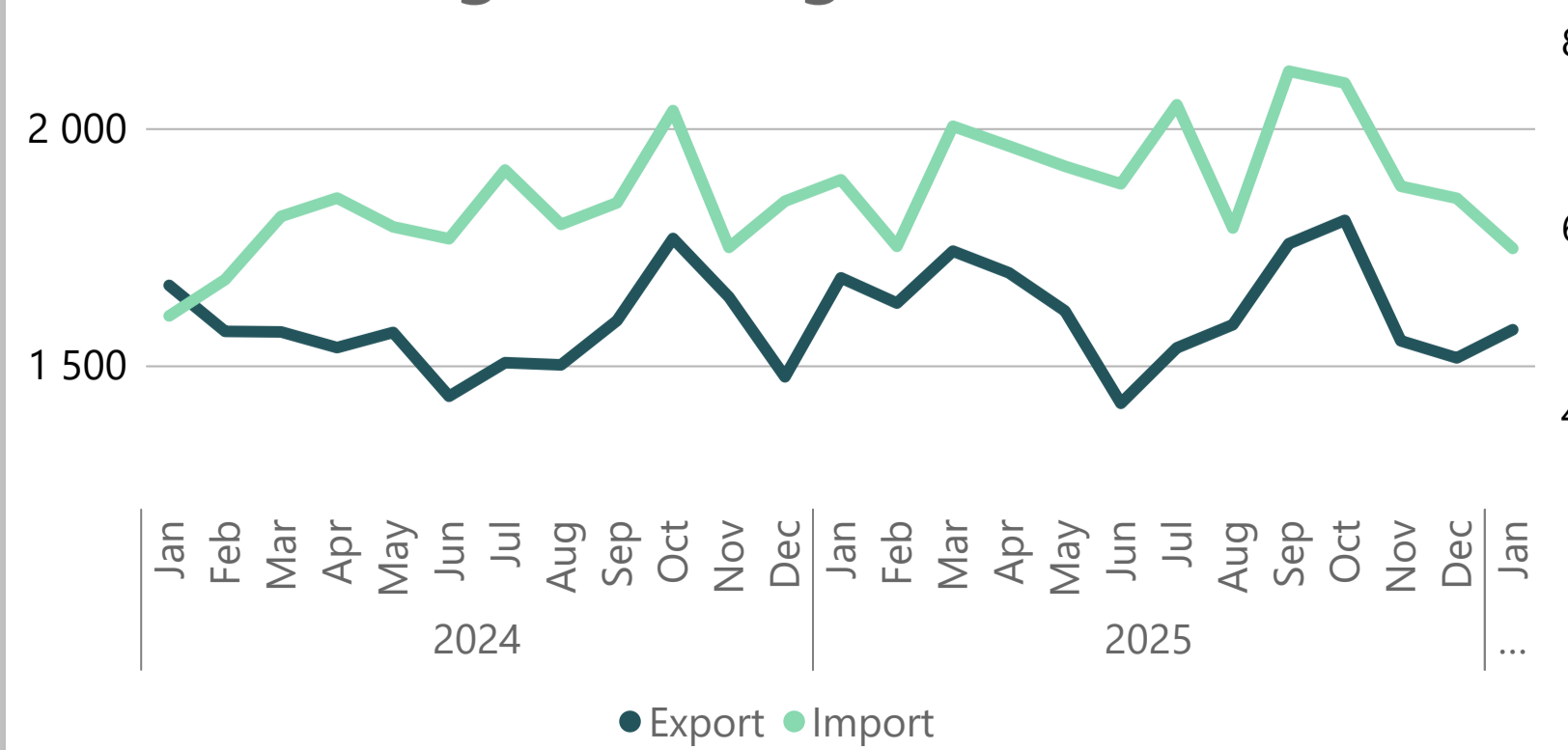
1 861€
(+6.7% YoY)
Q4 2025

Average monthly gross wage, €

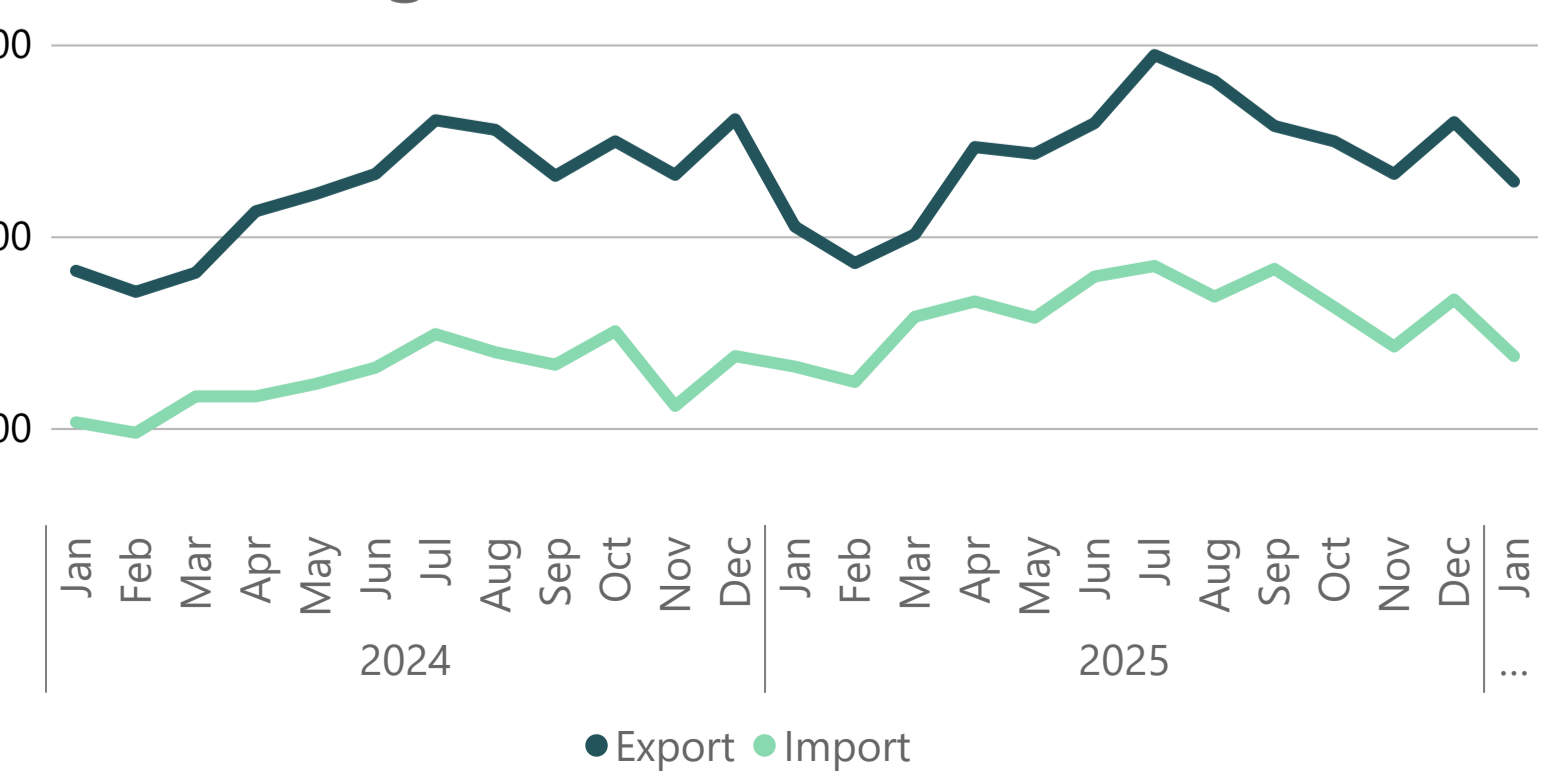


FOREIGN TRADE

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

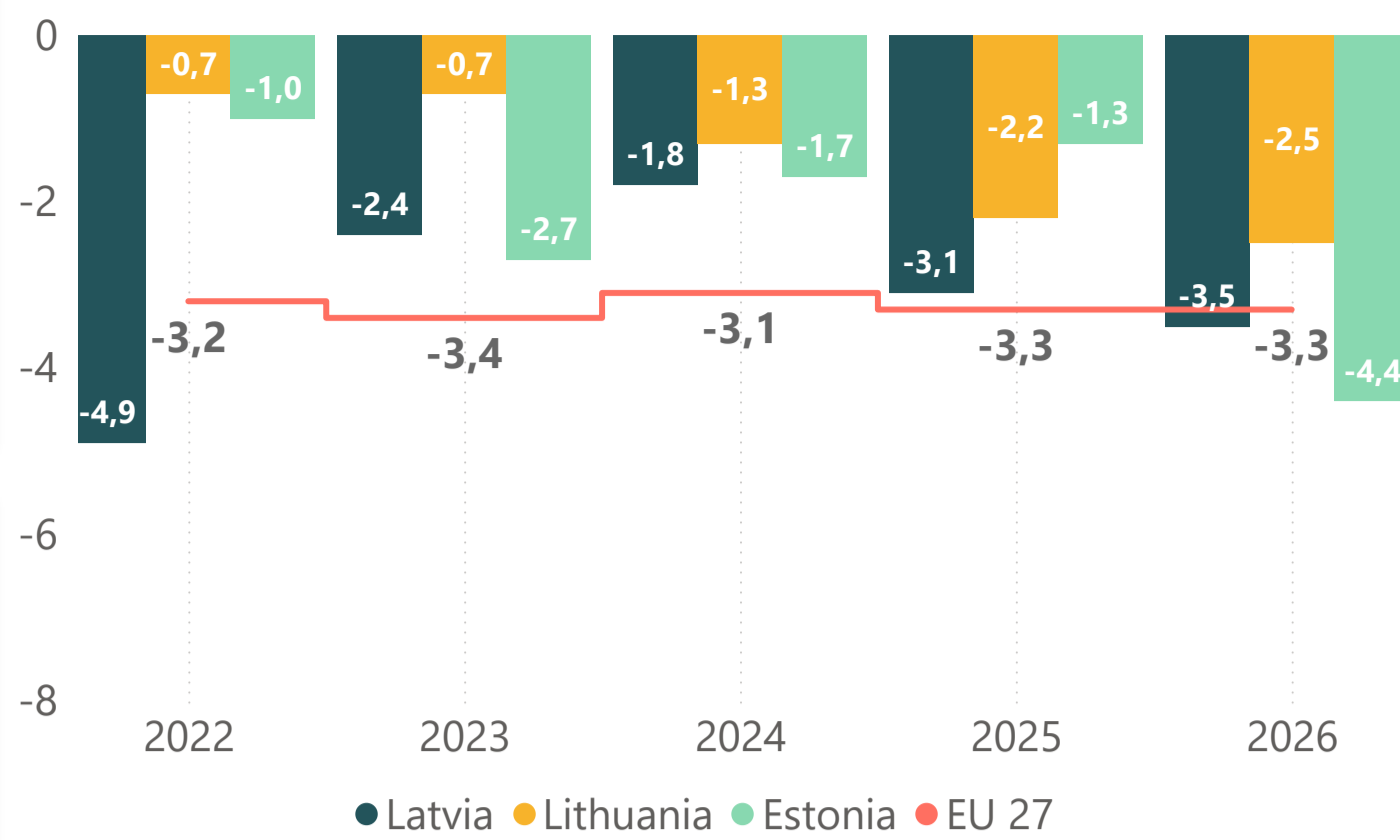
Assessment of MoF, January 2026

General government debt 2025

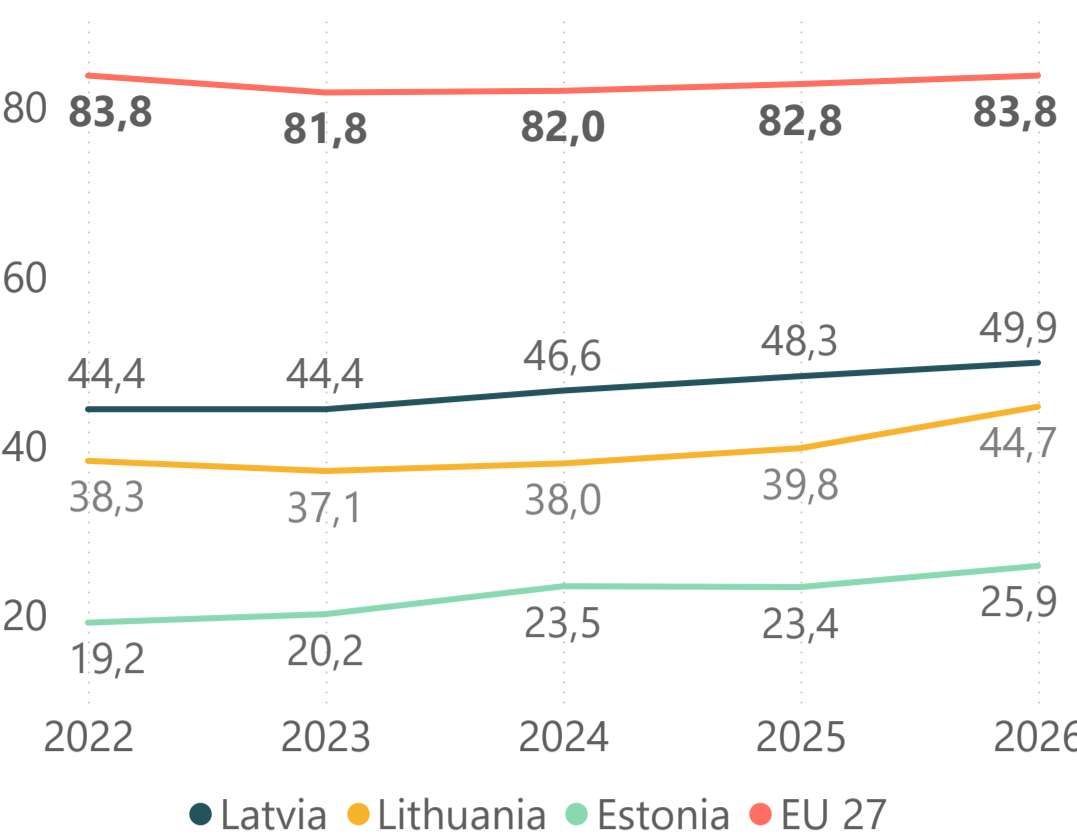
47.0% of GDP

Assessment of Treasury, March 2026

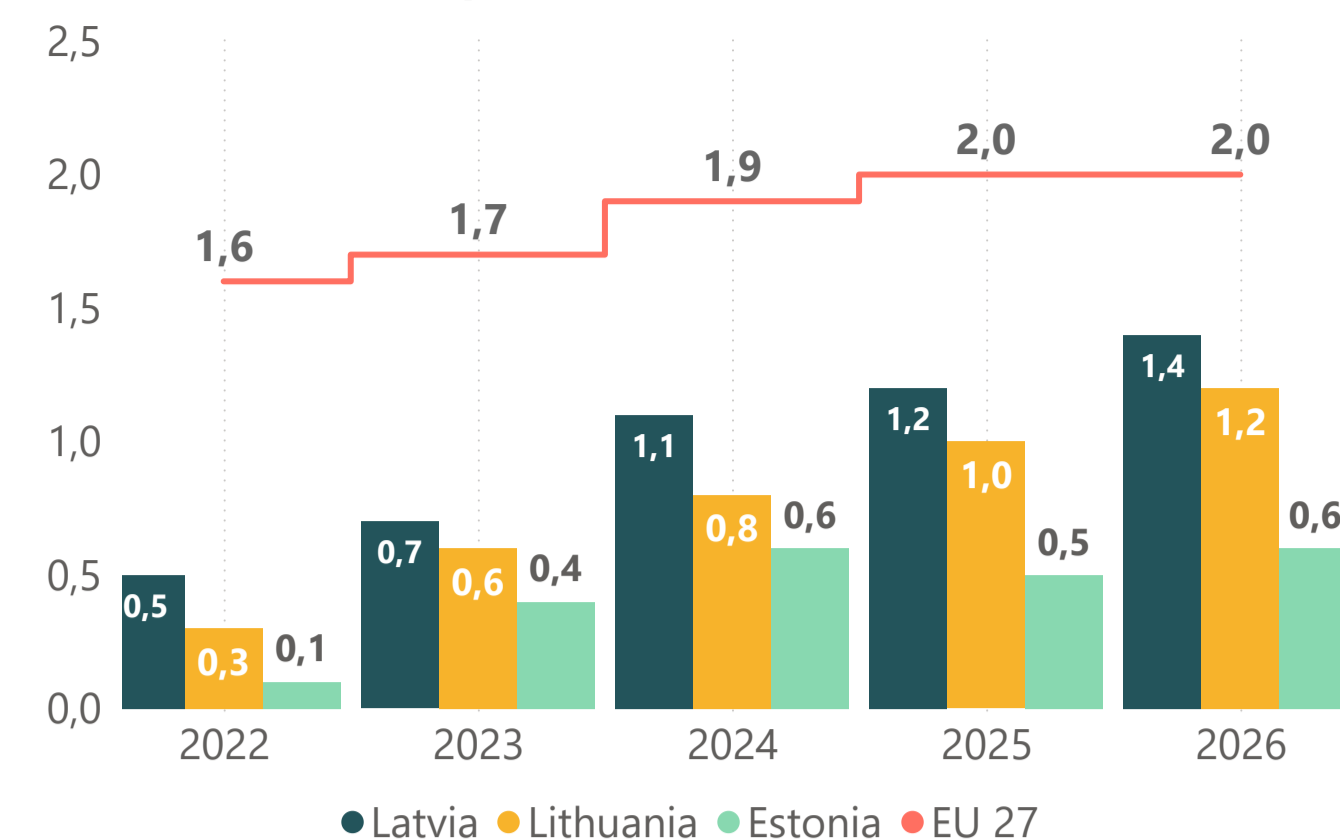
General government budget balance, % of GDP



General government debt, % of GDP



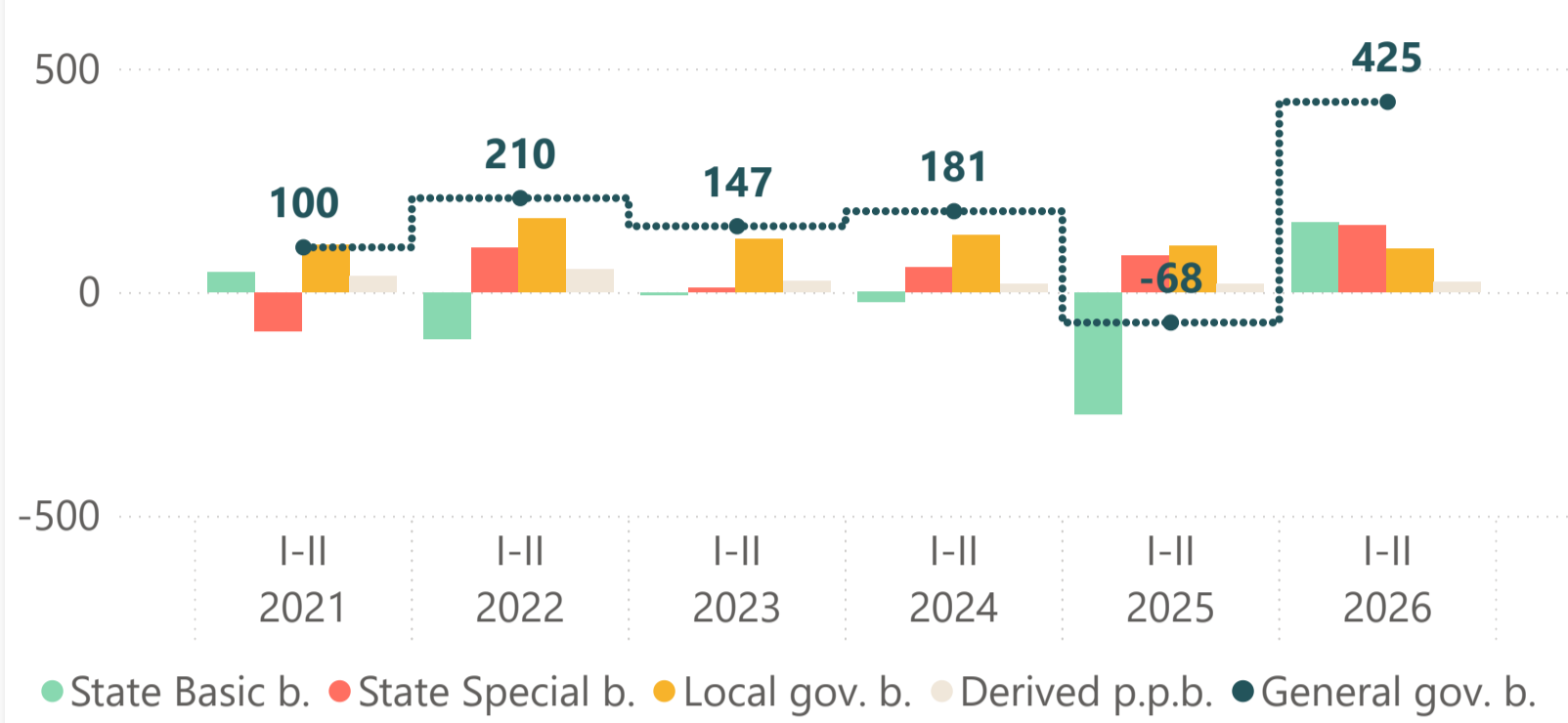
Interest expenditure (D.41), % of GDP



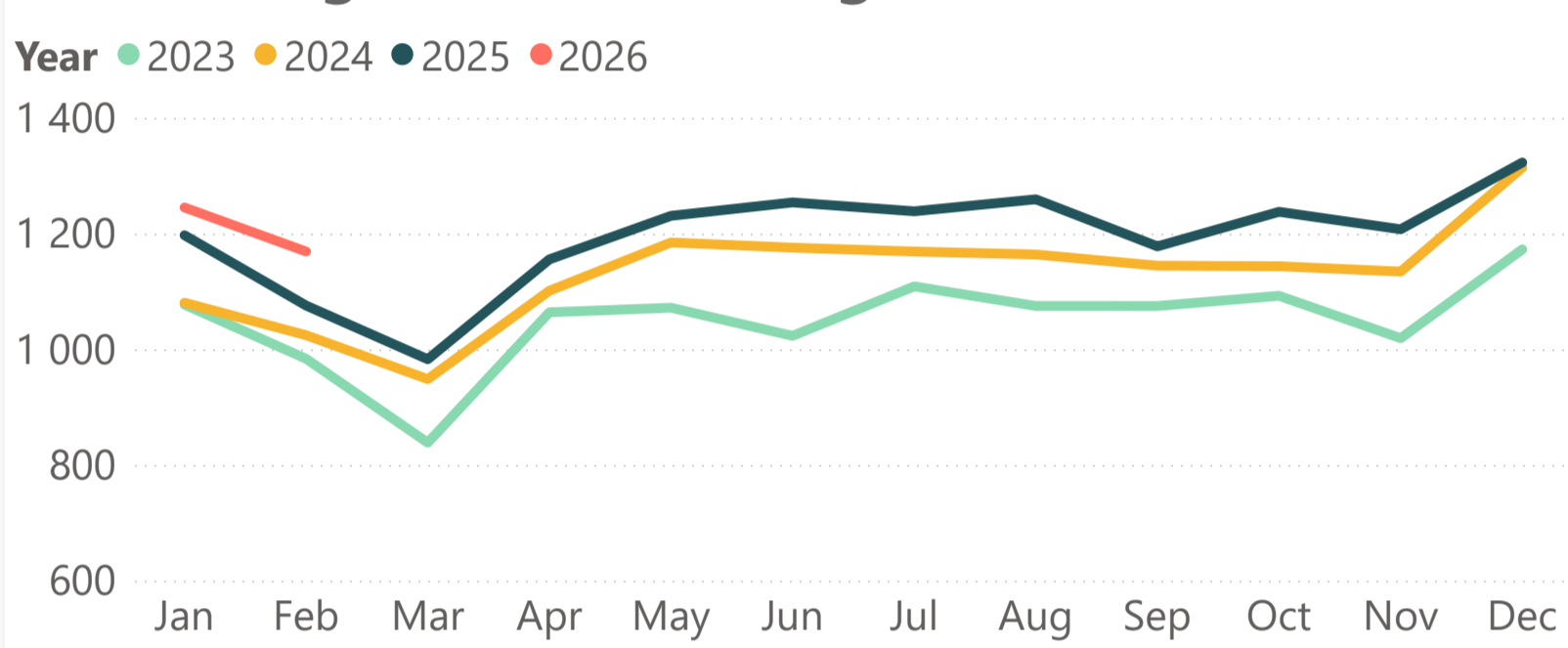
Source: Eurostat (2021-2024), AMECO forecast autumn 2025

GENERAL GOVERNMENT BUDGET IN JANUARY-FEBRUARY 2026 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: State Treasury

Tax revenue in January-February 2026, including revenue in the single tax account (-122 mln €) and excluding SSC at the 2nd pension pillar (130.9 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 543,7	651,3	22,5%
Expenditure	3 118,3	157,8	5,3%
Balance	425,4	493,5	

General government budget tax revenue

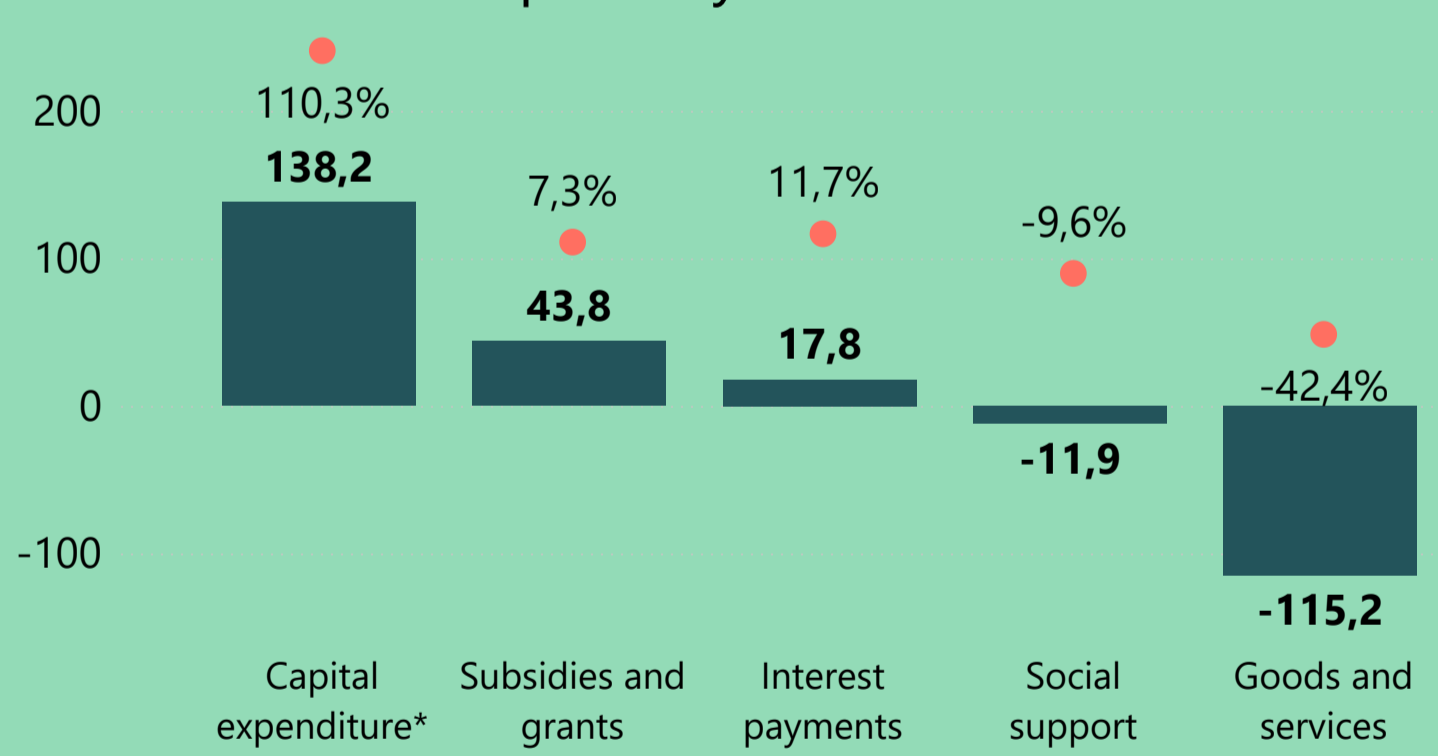
Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	845,1	55,1	7,0%
VAT	691,3	64,8	10,3%
PIT	524,5	-33,8	-6,0%
EXCISE	211,5	16,6	8,5%
CIT	129,2	-27,9	-17,8%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	2 414,0	141,4	6,2%
Non tax revenue	141,6	5,7	4,2%
Self-earned revenue	114,4	17,7	18,3%
Foreign financial assistance	873,5	486,4	125,7%
Expenditure			
Remuneration	580,8	15,4	2,7%
Goods and services	313,6	-102,9	-24,7%
Interest payments	154,9	7,5	5,1%
Subsidies and grants	690,1	47,2	7,3%
Social support	934,2	0,7	0,1%
Payments to EU budget	88,2	23,2	35,7%
Capital expenditure	339,0	161,7	91,2%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 226,8	560,5	33,6%
Expenditure	2 070,8	131,4	6,8%
Balance	156,0	429,1	

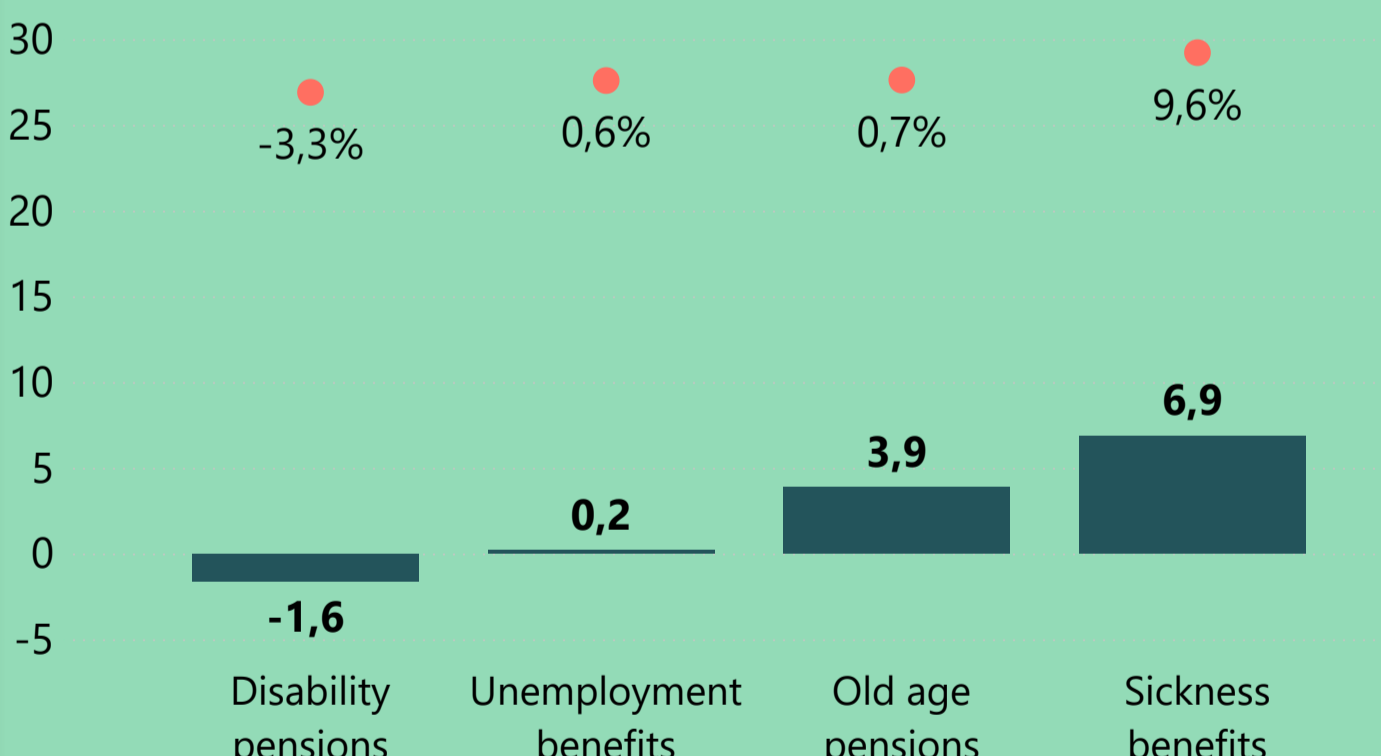
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	927,3	78,7	9,3%
Expenditure	778,7	11,3	1,5%
Balance	148,7	67,4	

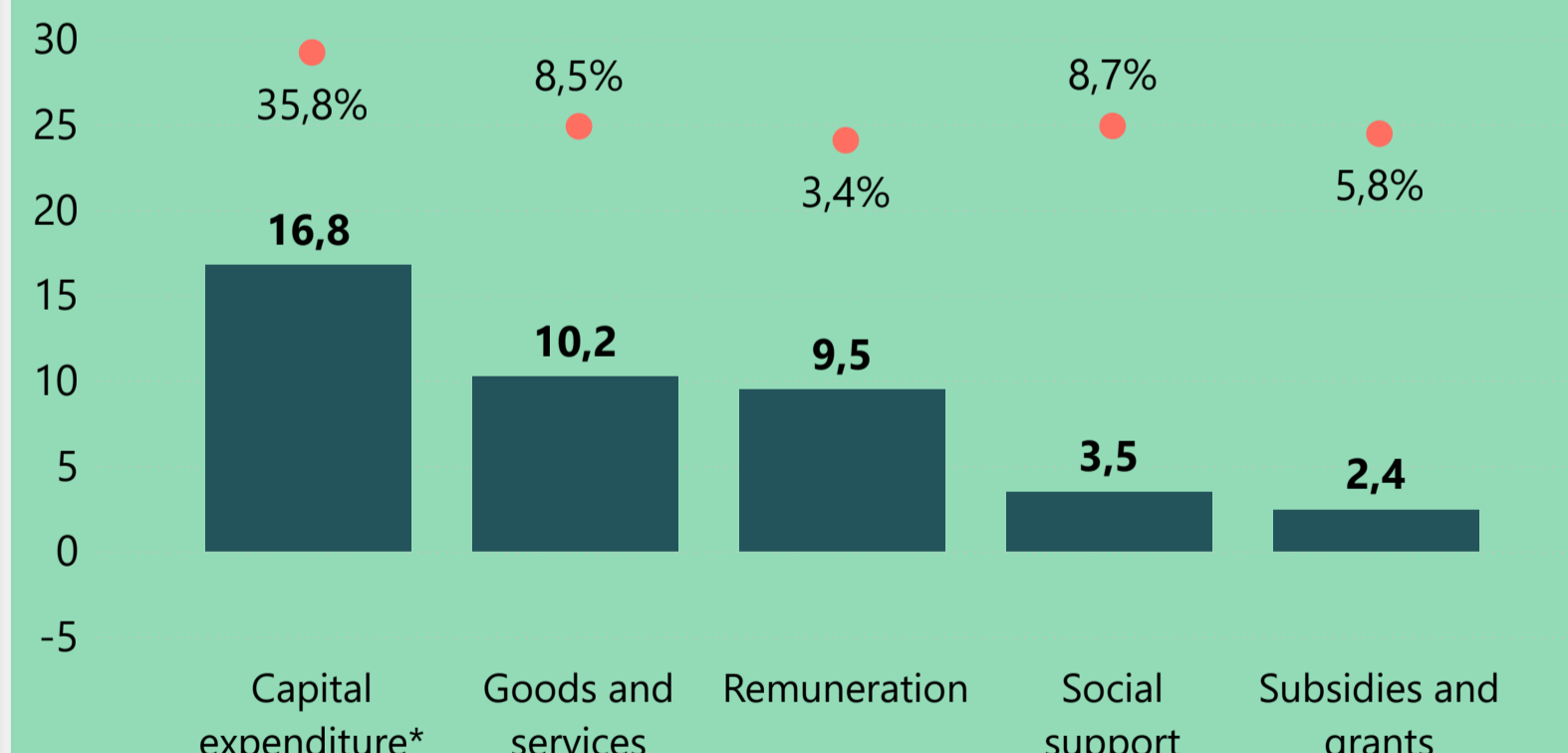
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	686,9	31,4	4,8%
Expenditure	589,3	38,5	7,0%
Balance	97,7	-7,0	

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

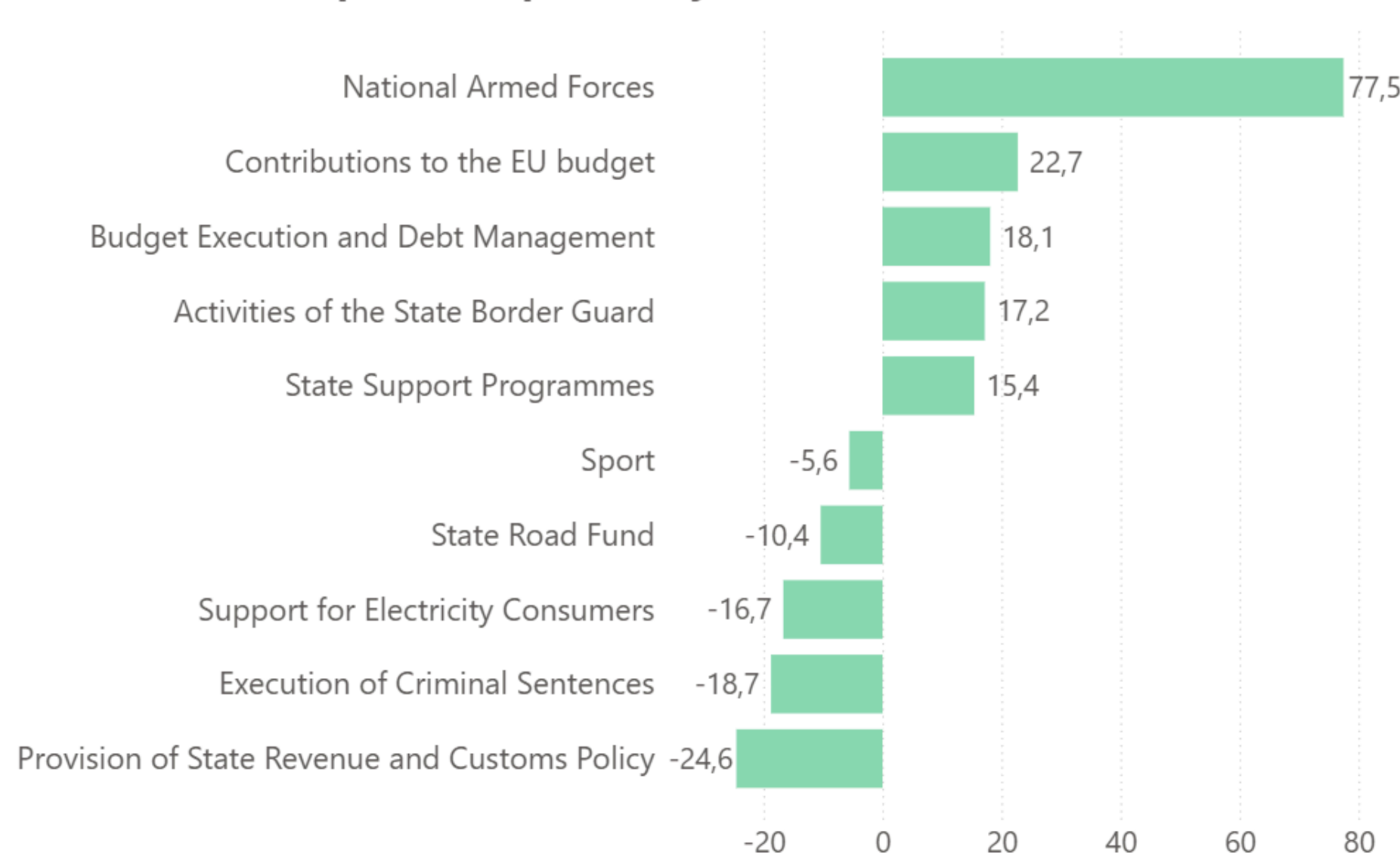


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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

BASIC FUNCTION EXPENDITURE

Major expenditure changes by programme against respective period year before, mln €



Source: State Treasury

SOCIAL SECURITY

Old-age pensions recipients

431 270
(0.4% YoY)
February 2026

Old-age pensions average amount

657€
(+8.6% YoY)
February 2026

Unemployment benefit recipients

32 416
(-7.8% YoY)
February 2026

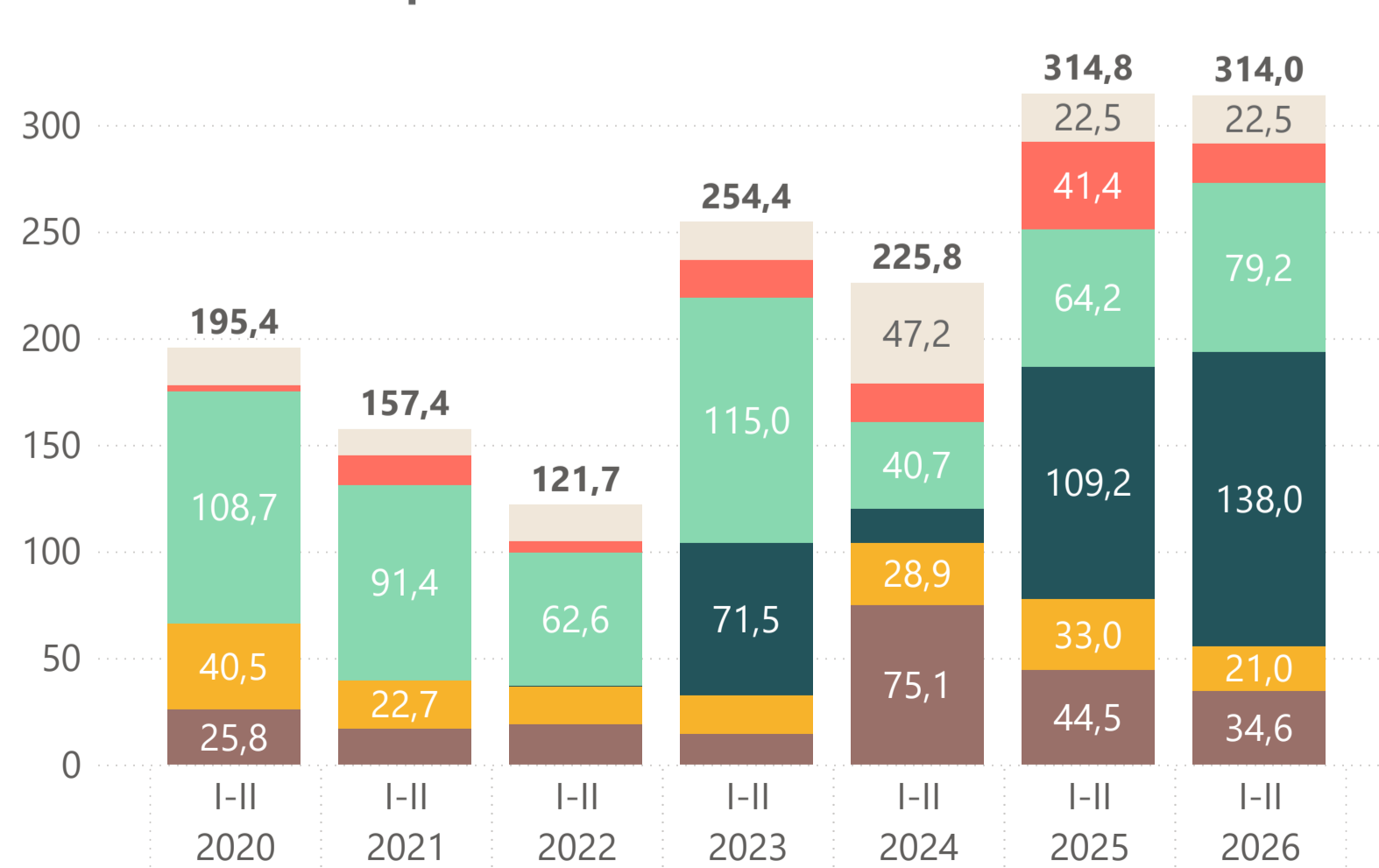
Unemployment benefit average amount

551€
(+9.4% YoY)
February 2026

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, MoF