

MACROECONOMIC AND BUDGETARY REVIEW 2025

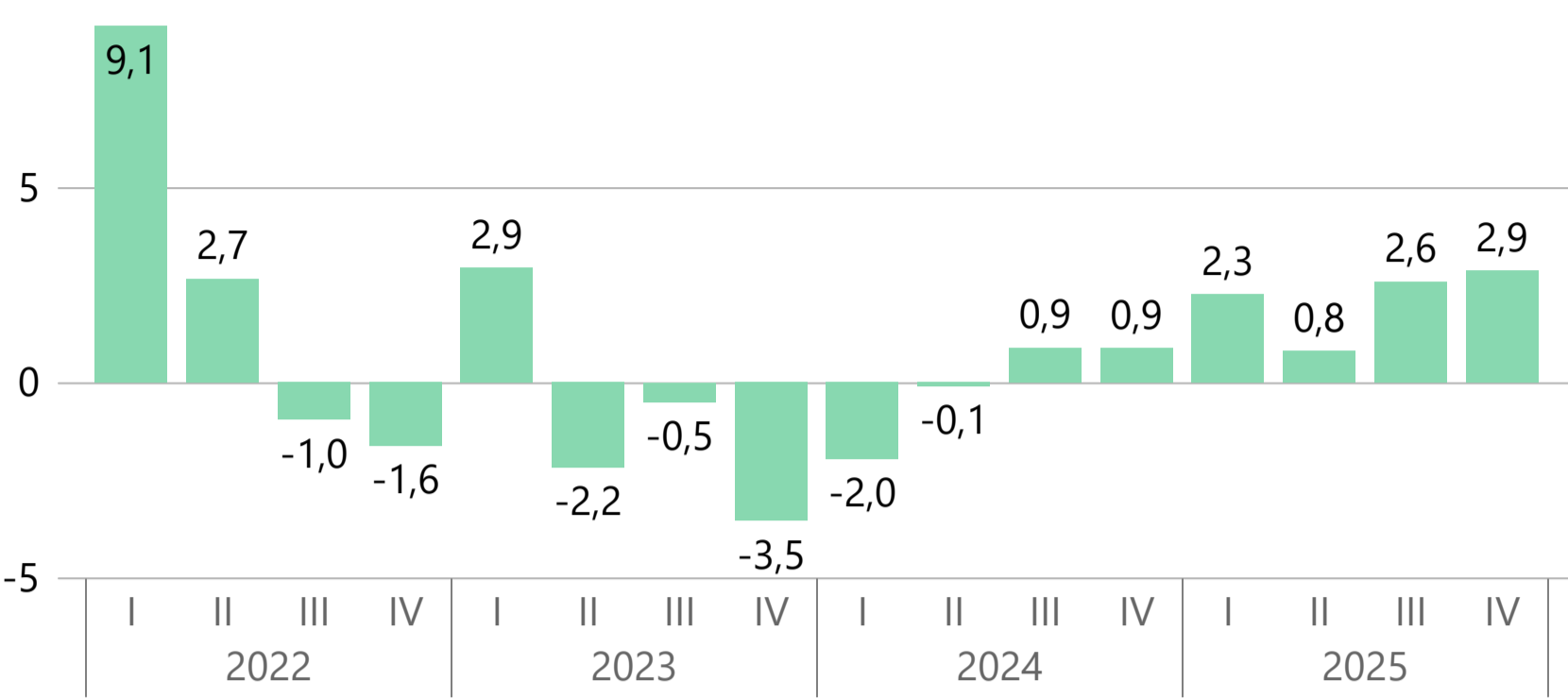
No 3/2026

GROSS DOMESTIC PRODUCT (GDP)

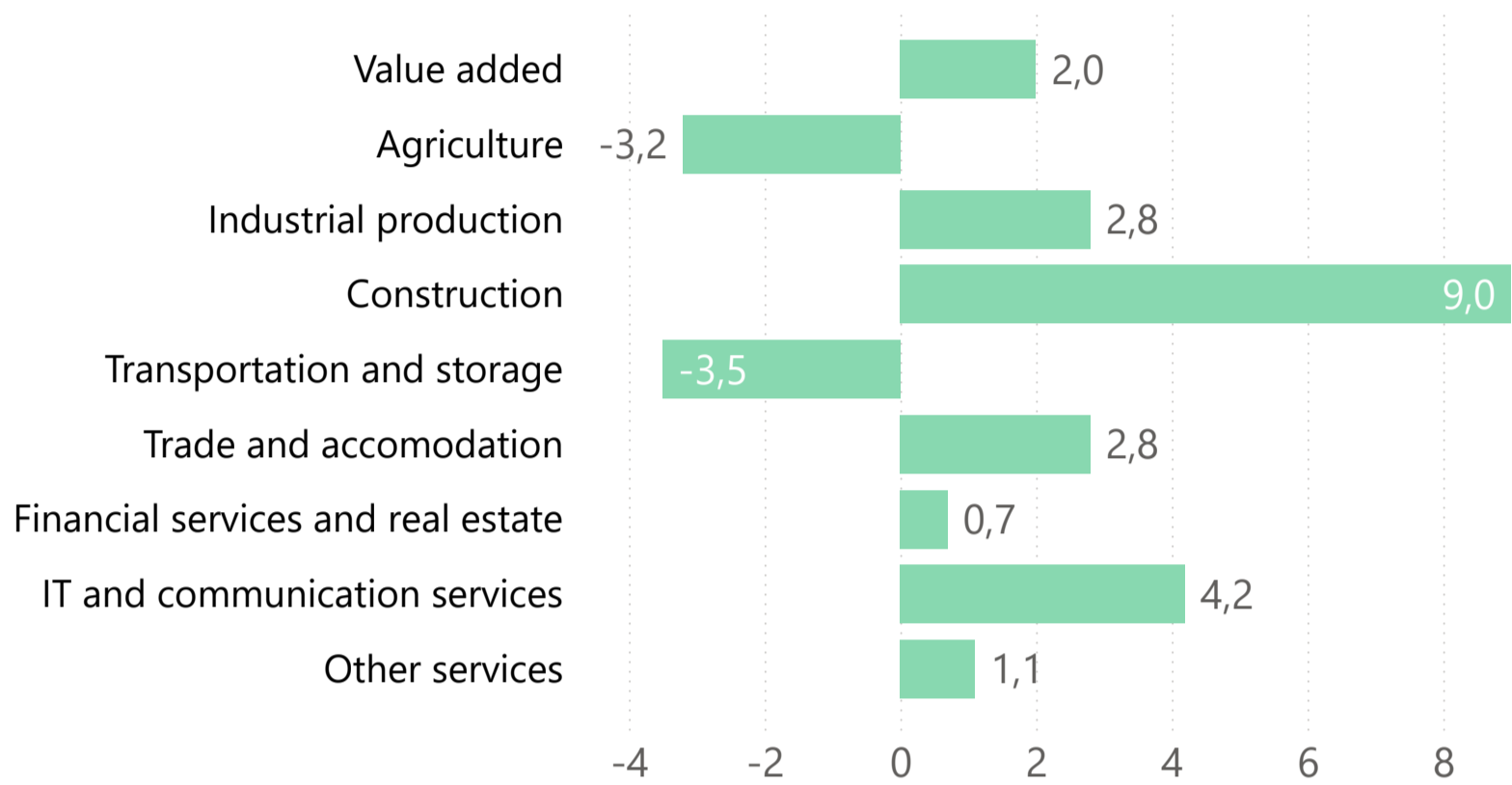
GDP 2025
Current prices
43 026 mln €
CSB, 27.02.2026

GDP forecast 2026
Comparable prices
2.6%
MoF February 2026

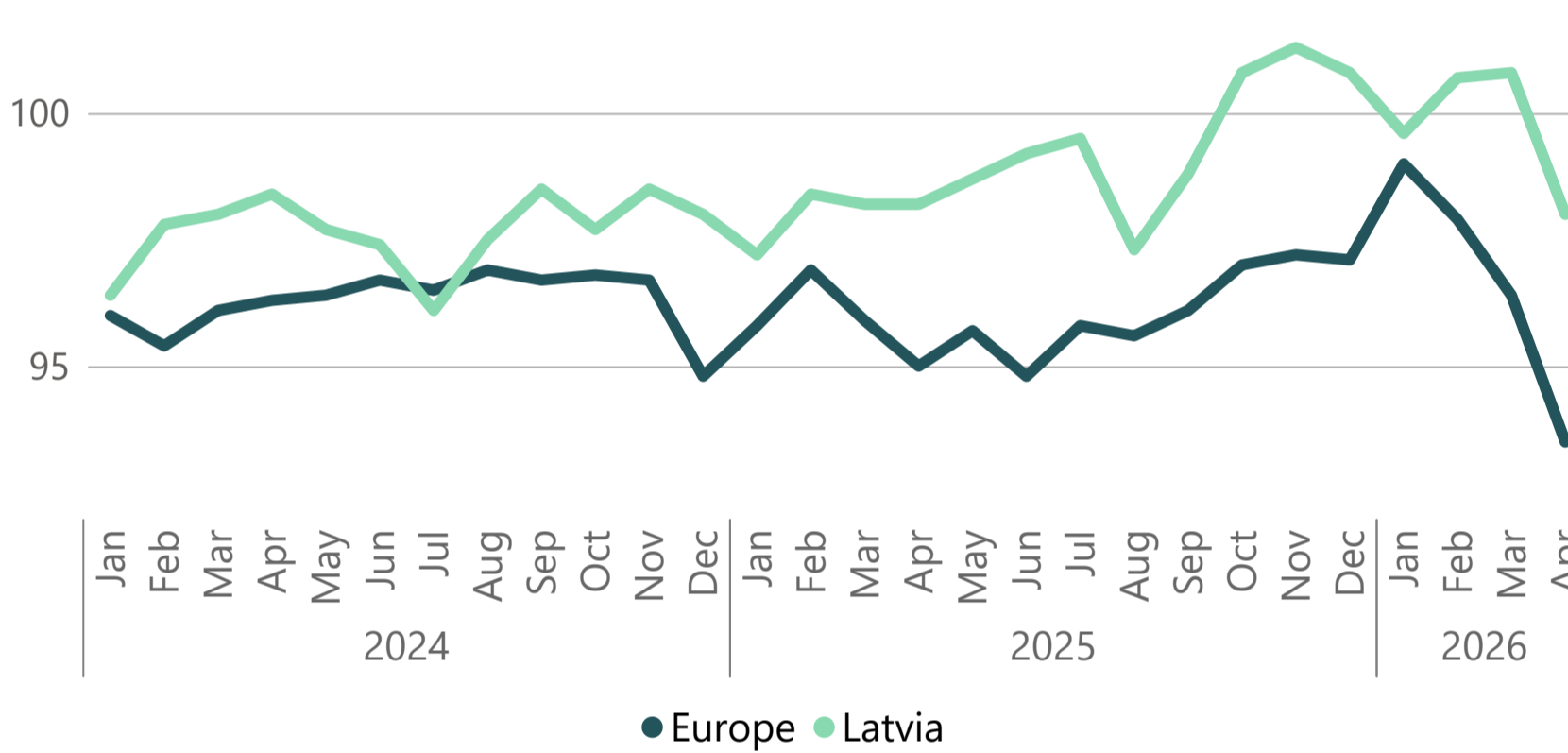
GDP growth, YoY%



GDP growth by sectoral breakdown 2025/2024



ESI Economic confidence



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

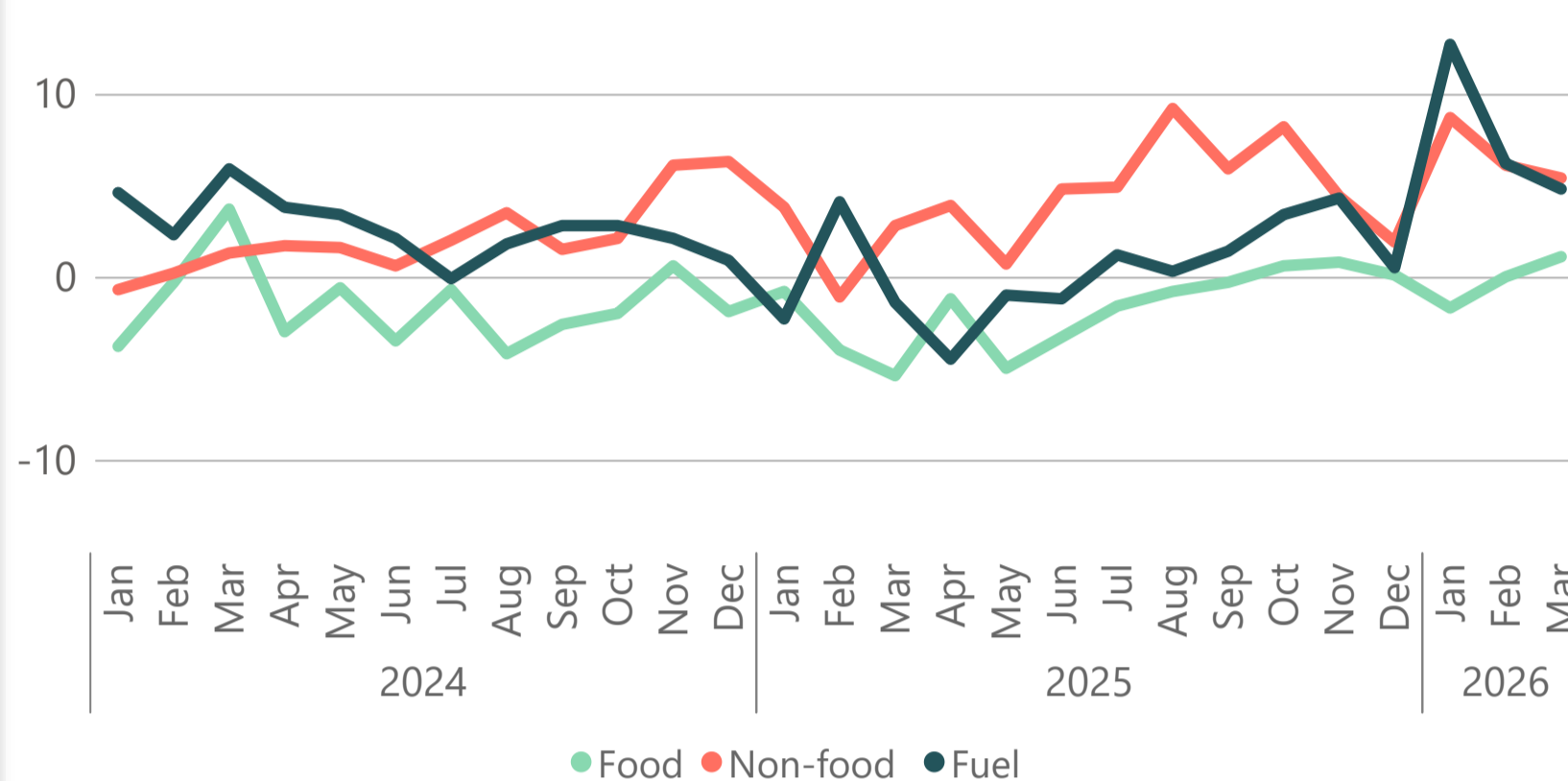
MAIN MACROECONOMIC INDICATORS

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

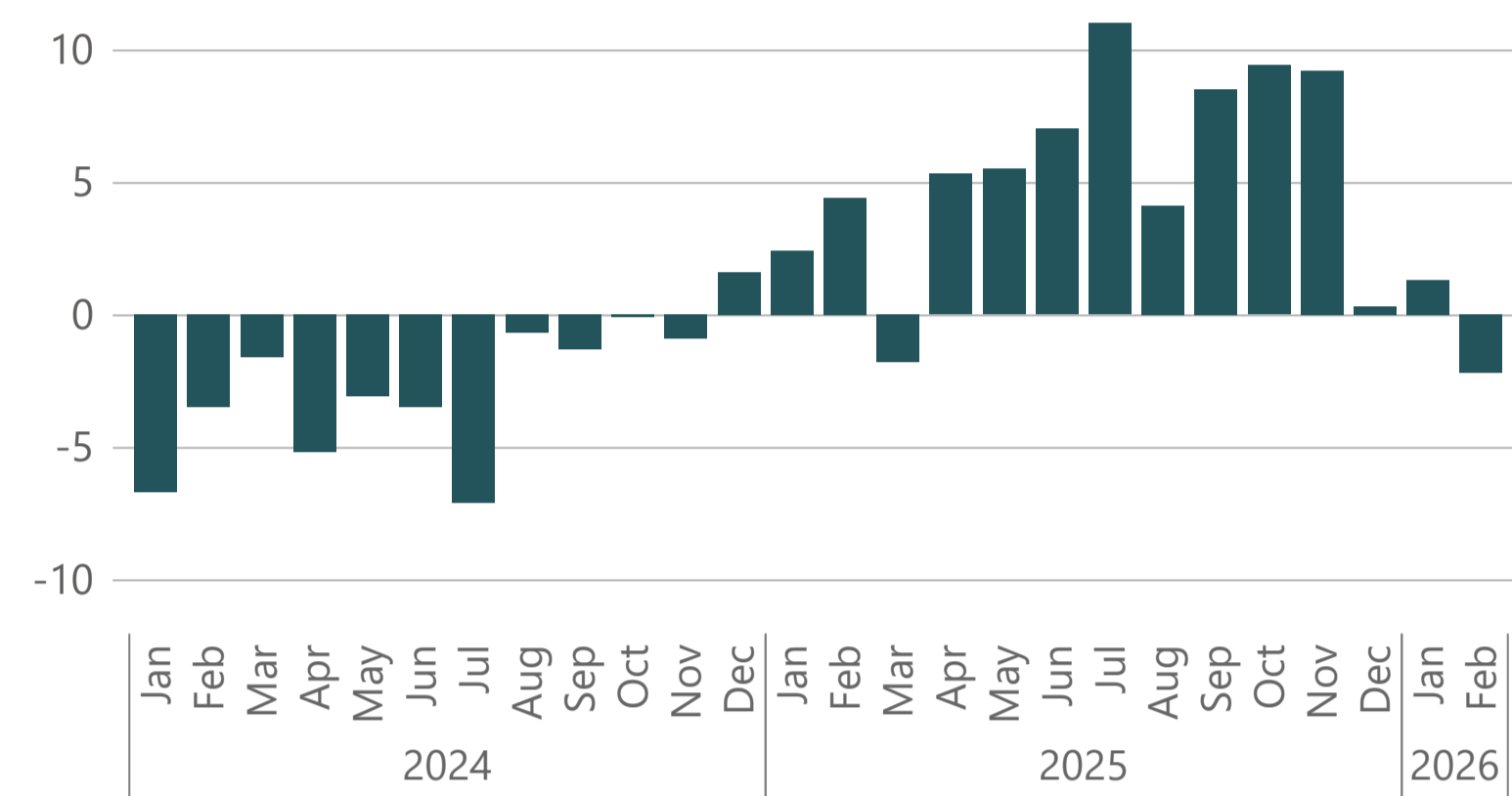
Source: CSB (27.02.2026), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2026)

INDUSTRIES

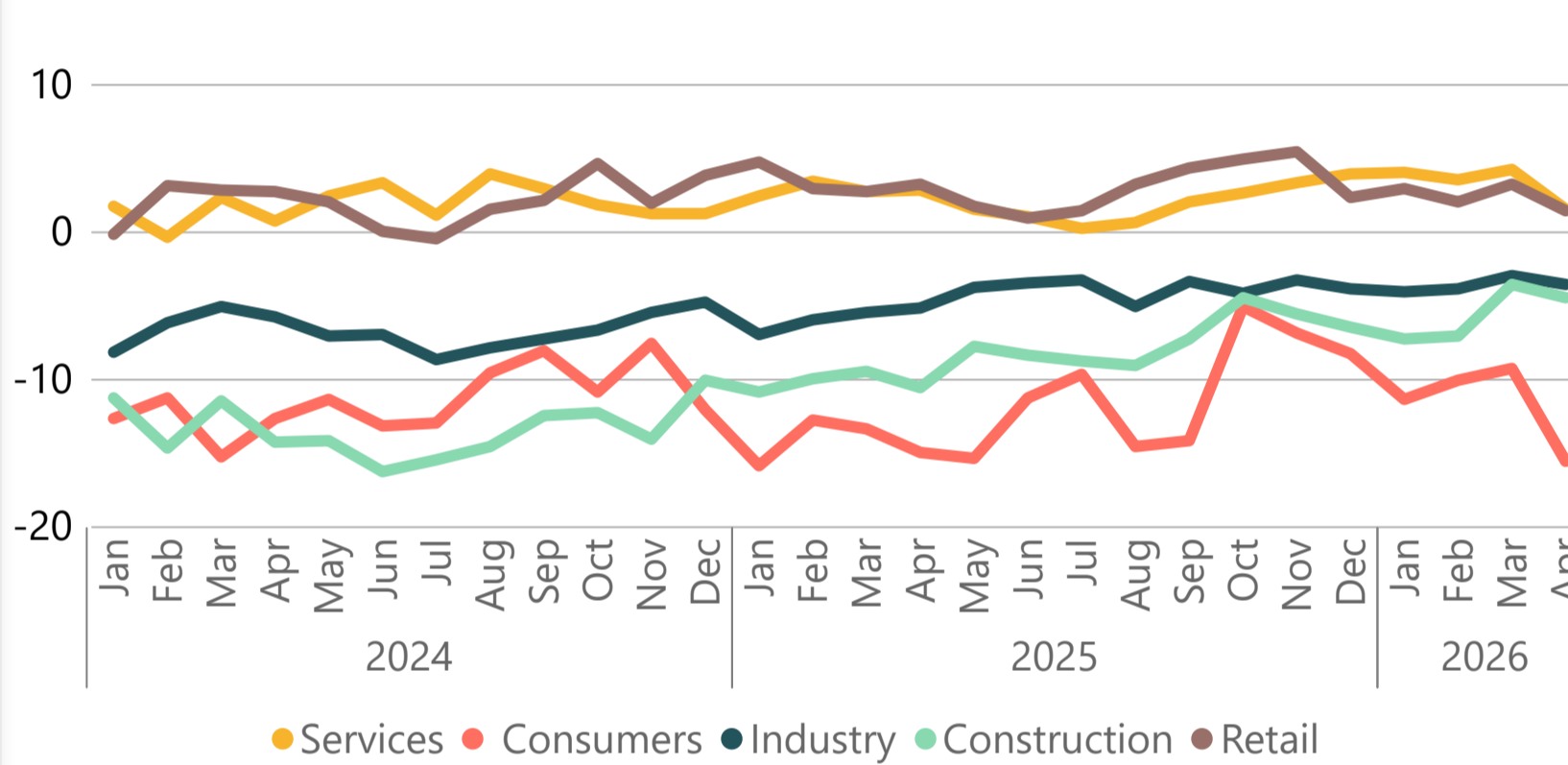
Retail trade growth, YoY%



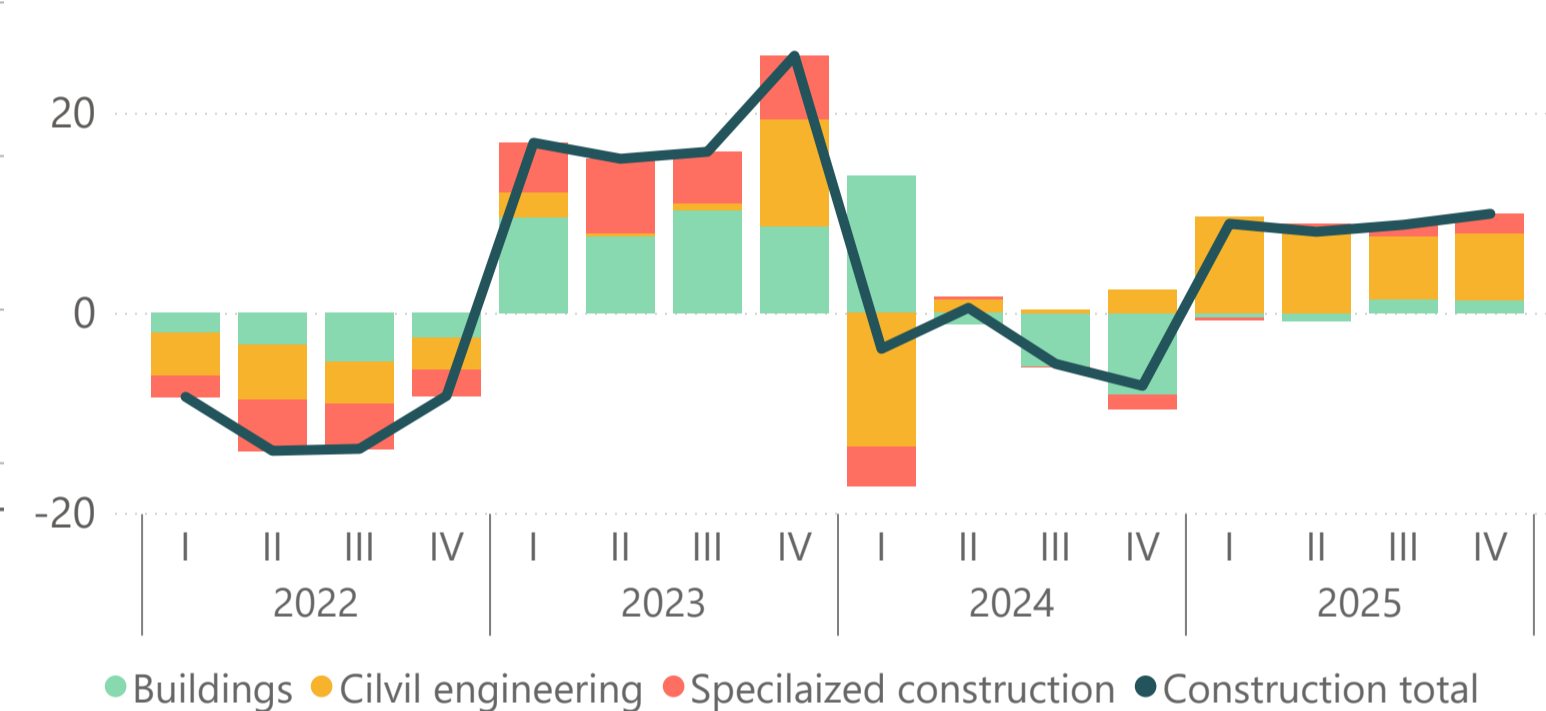
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY



Source: CSB, European Commission

INFLATION

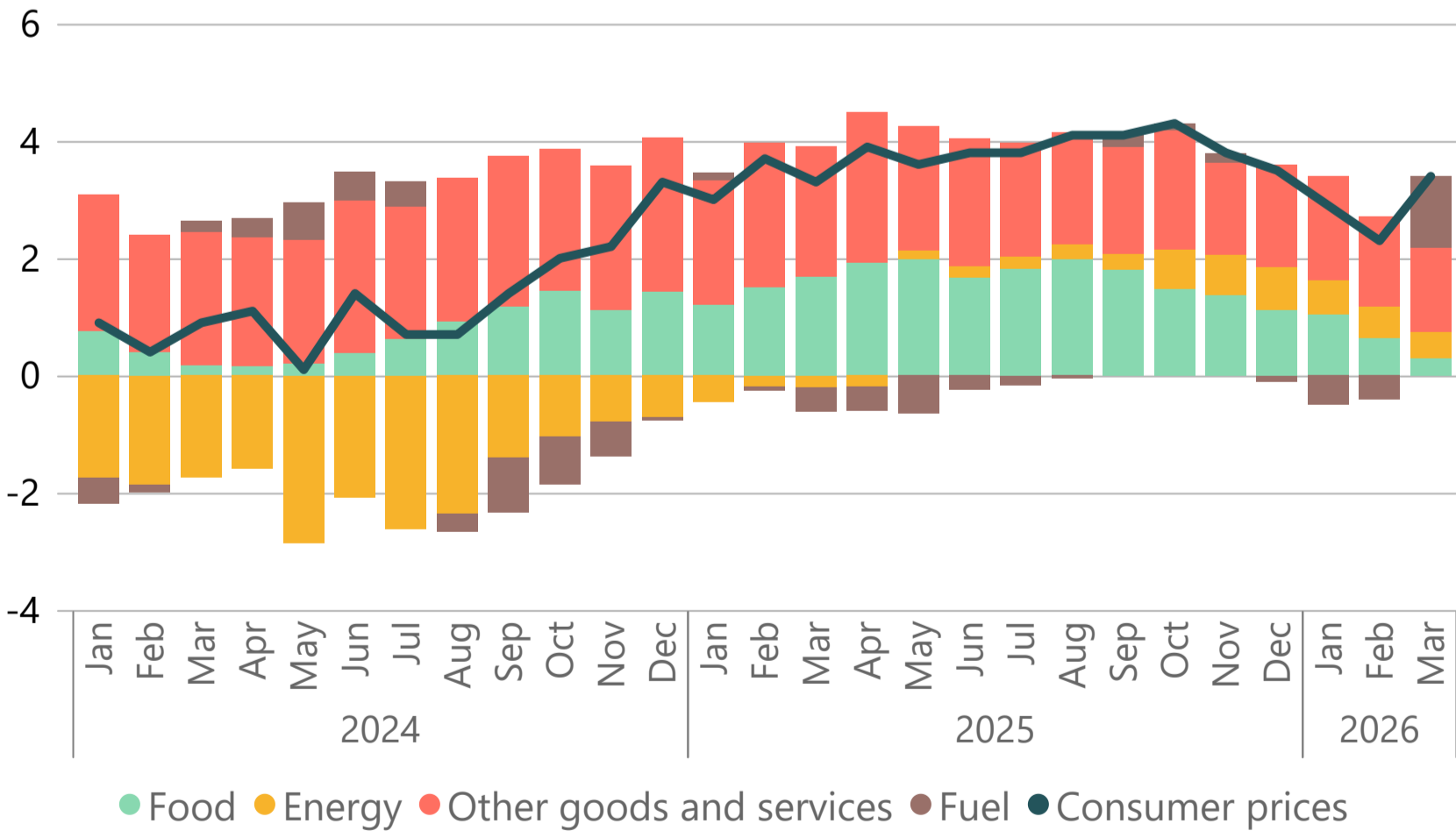
Consumer prices

3.4%
March 2026

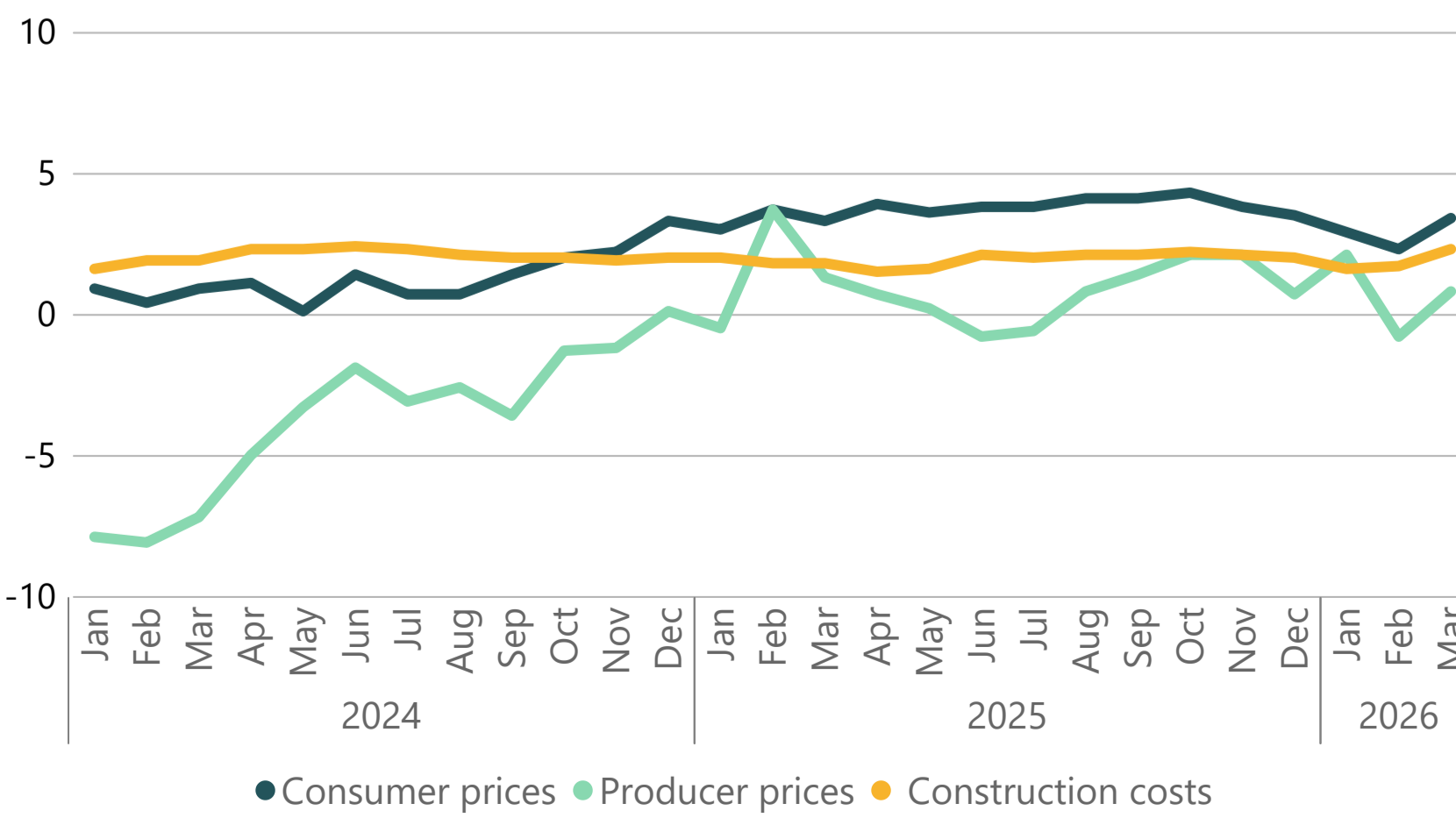
Producer prices

0.8%
March 2026

Consumer prices, YoY%



Prices, YoY%



Source: CSB

UNEMPLOYMENT

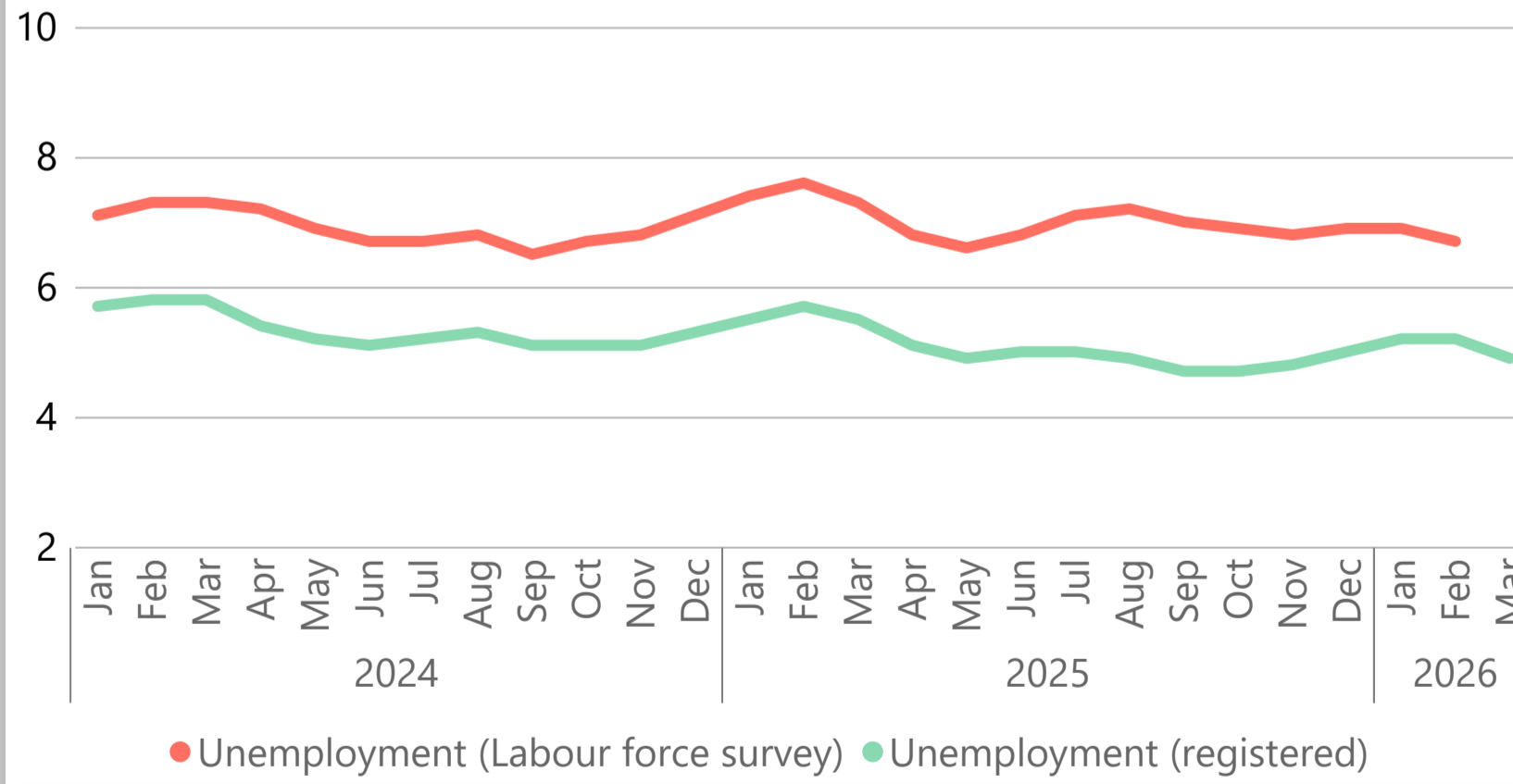
Registered unemployment

4.9%
March 2026

Number of registered unemployed YoY

-8.3%
March 2026

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 833€
(+6.6% YoY)
Q4 2025

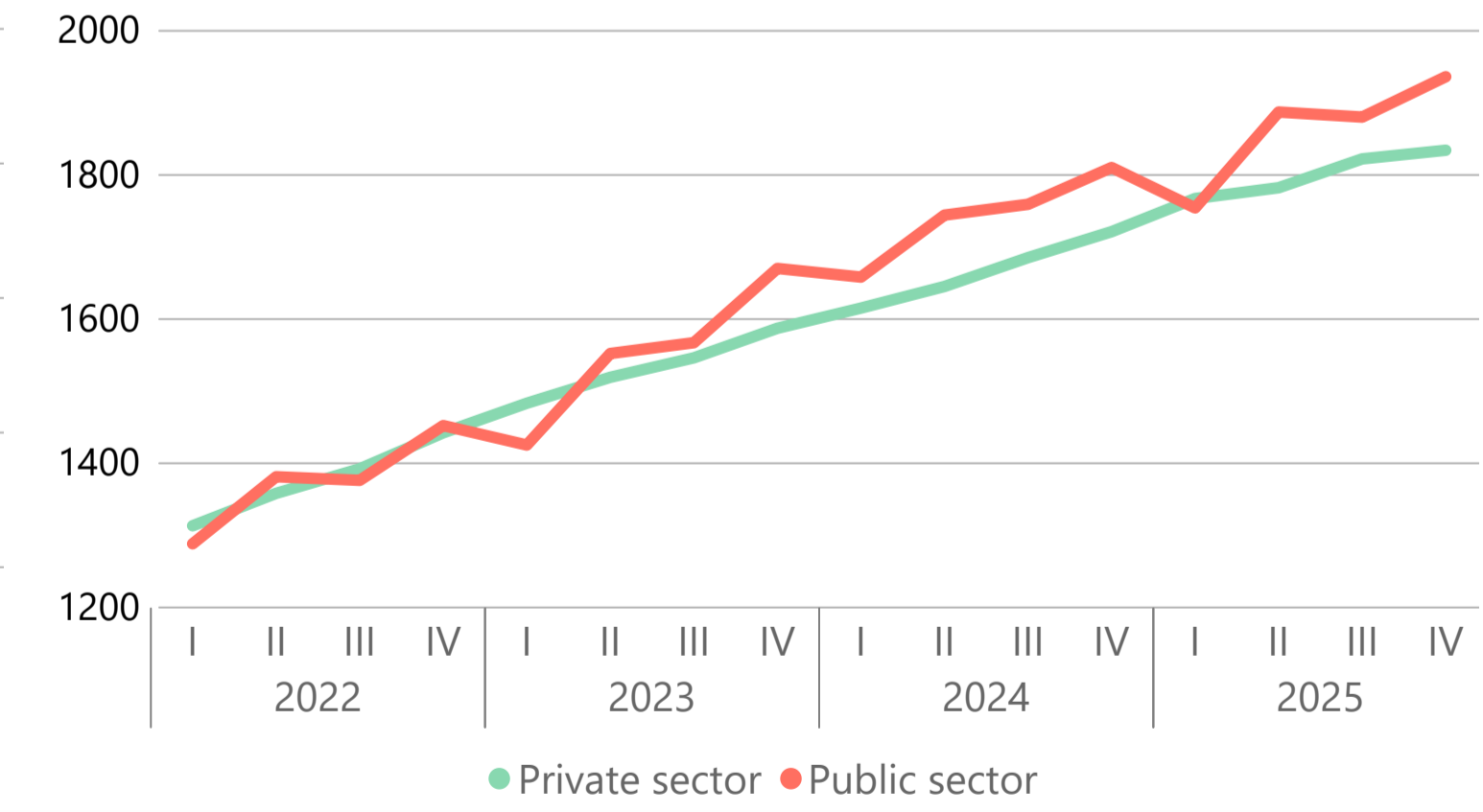
Public sector

1 935€
(+7.0% YoY)
Q4 2025

Total

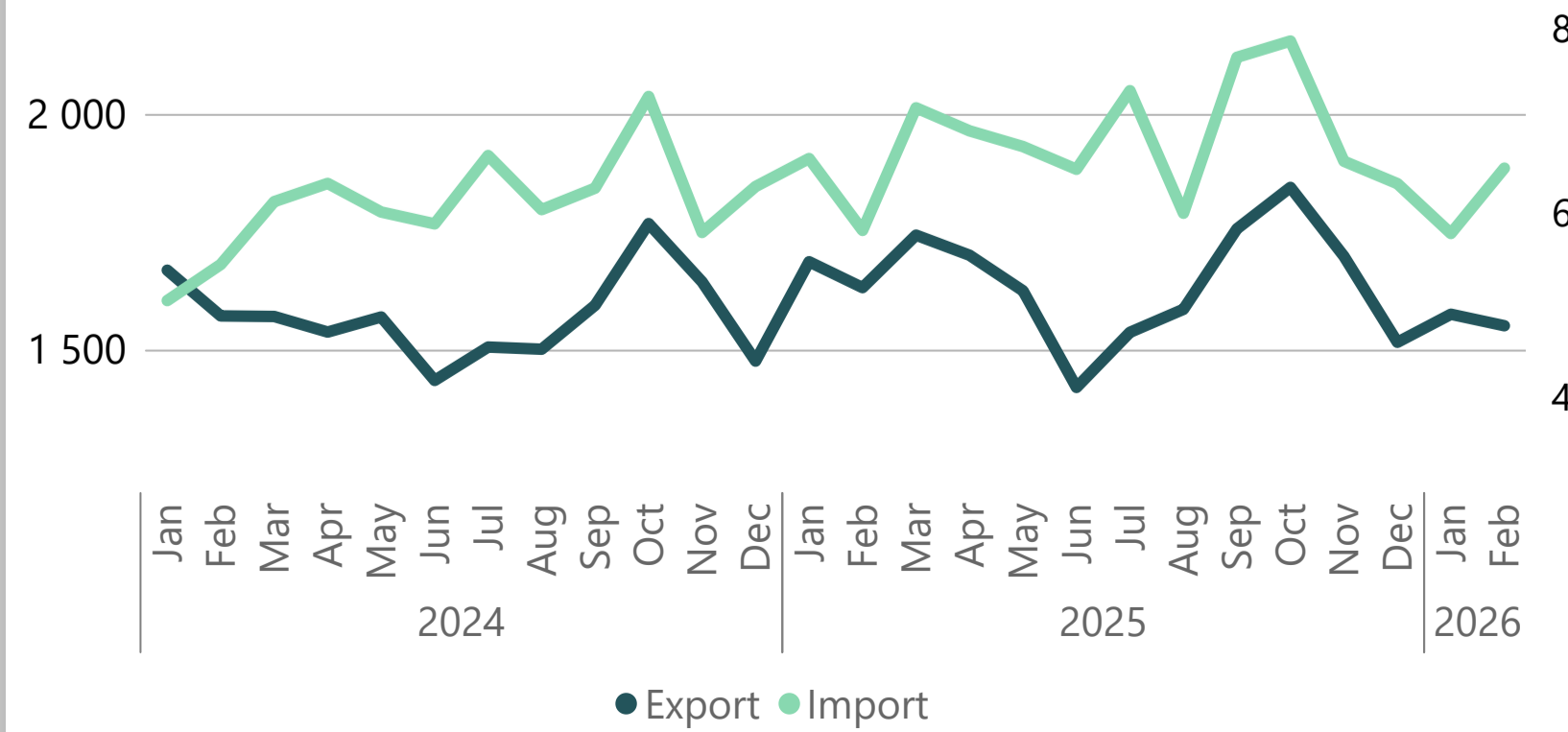
1 861€
(+6.7% YoY)
Q4 2025

Average monthly gross wage, €

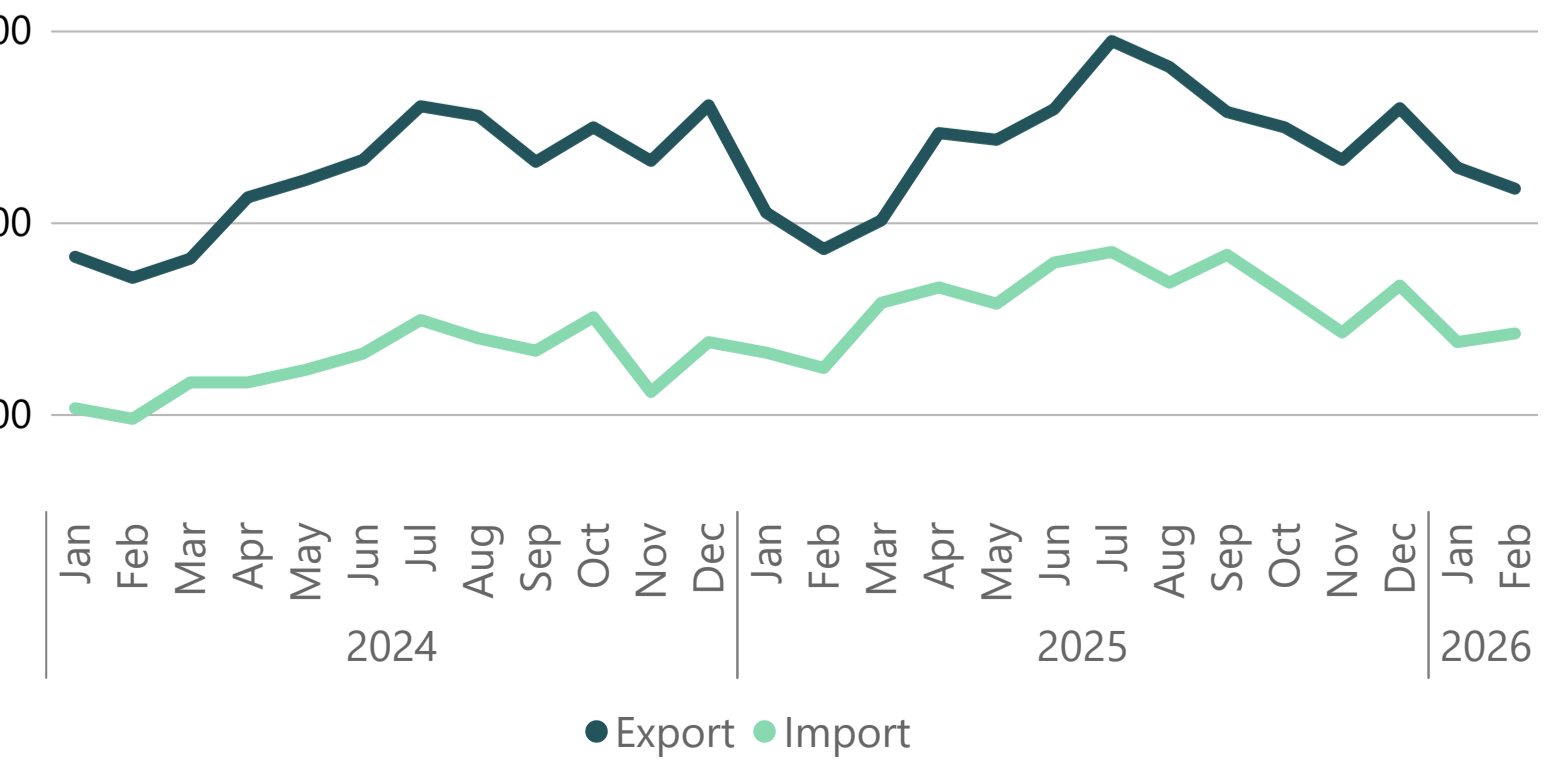


FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2025

-2.5% of GDP

Eurostat, April 2026

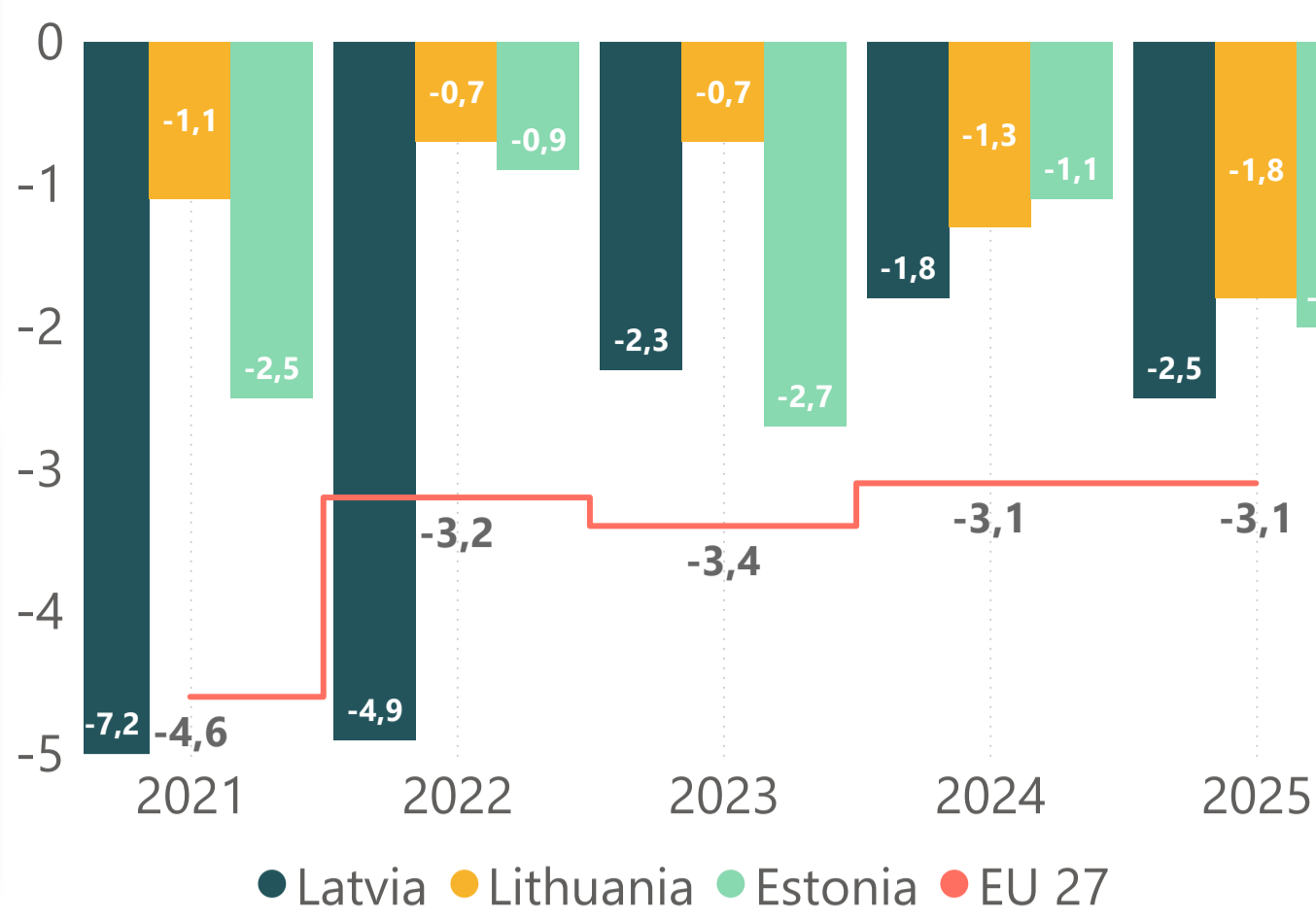
General government debt 2025

46.9% of GDP

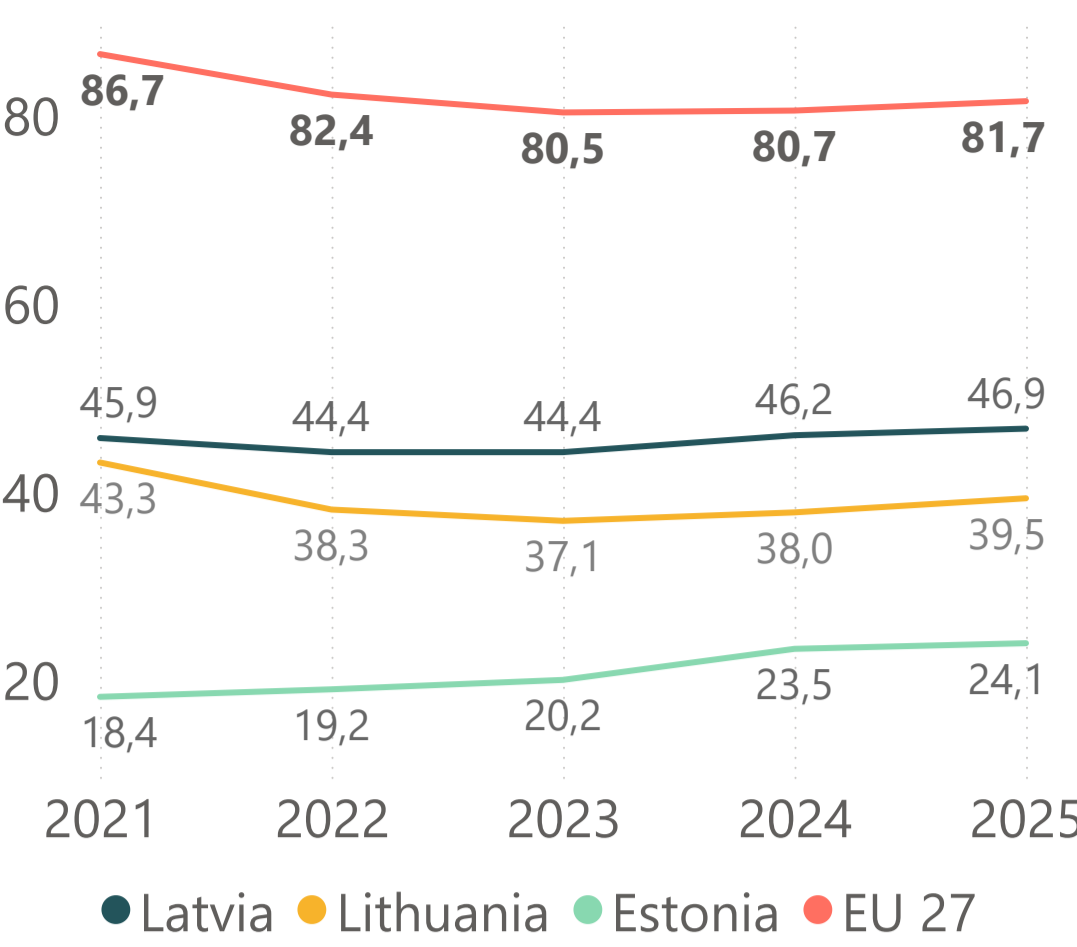
Eurostat, April 2026

Source: Eurostat

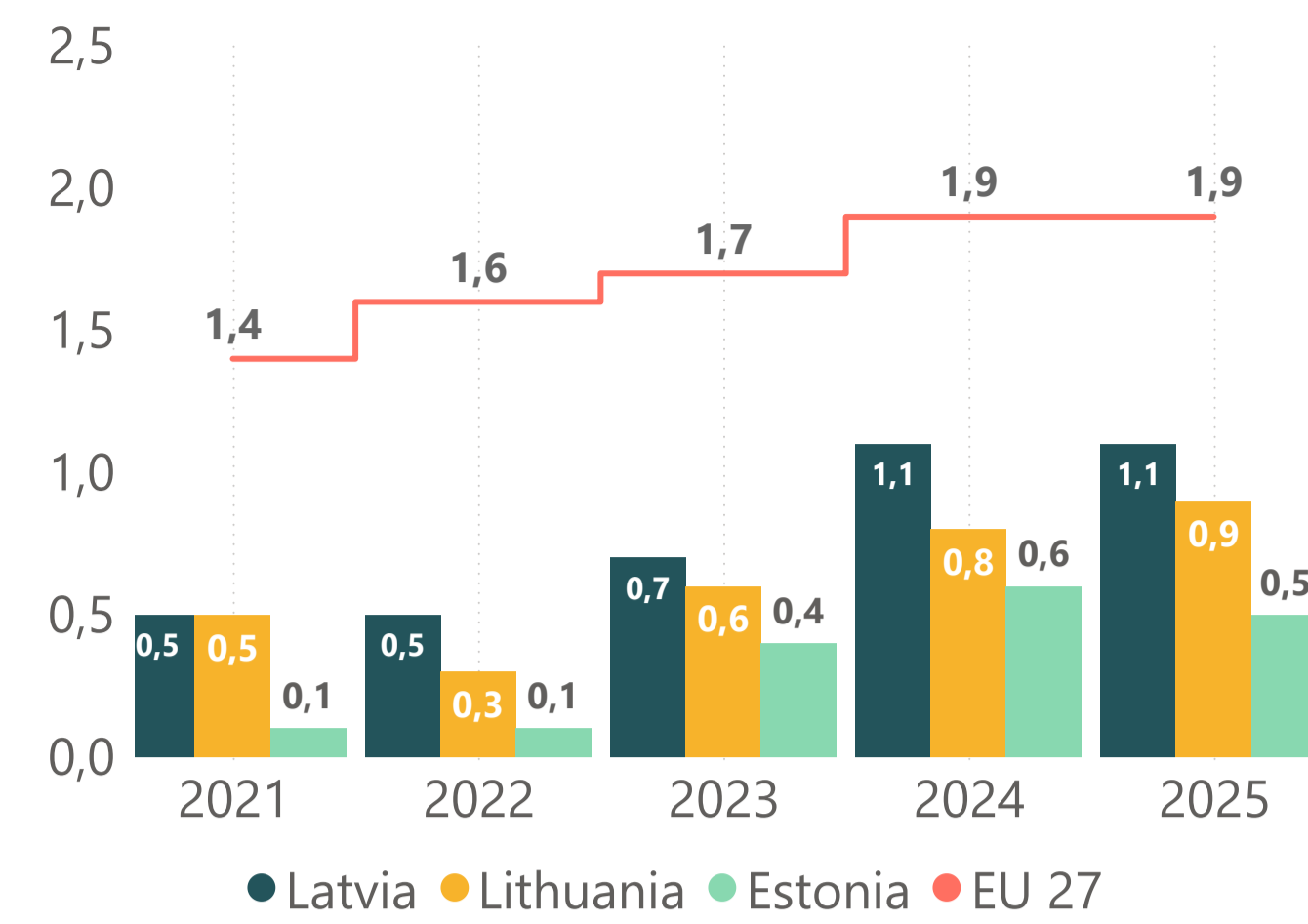
General government budget balance, % of GDP



General government debt, % of GDP

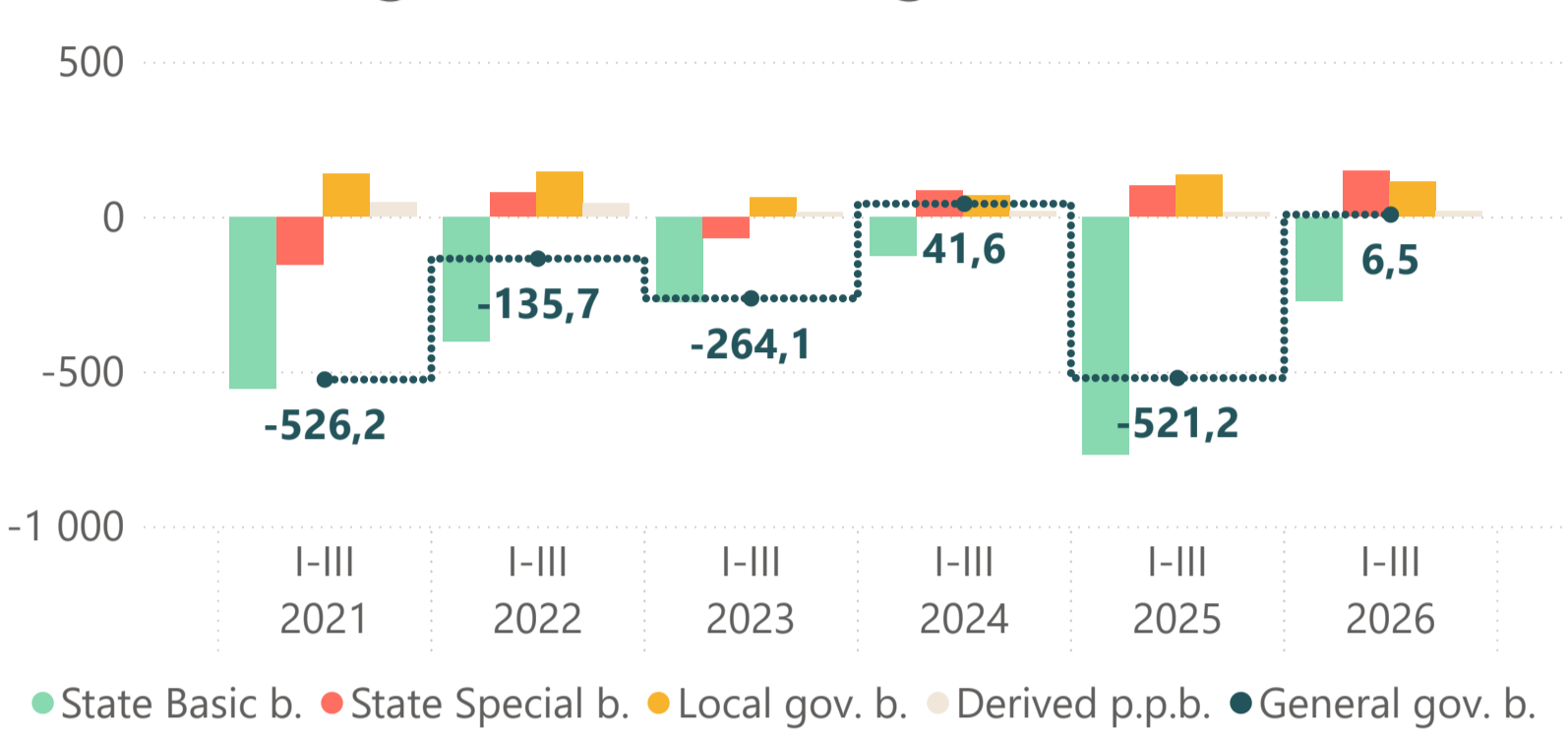


Interest expenditure (D.41), % of GDP



GENERAL GOVERNMENT BUDGET IN JANUARY-MARCH 2026 ON CASH BASIS

General government budget balance, mln €



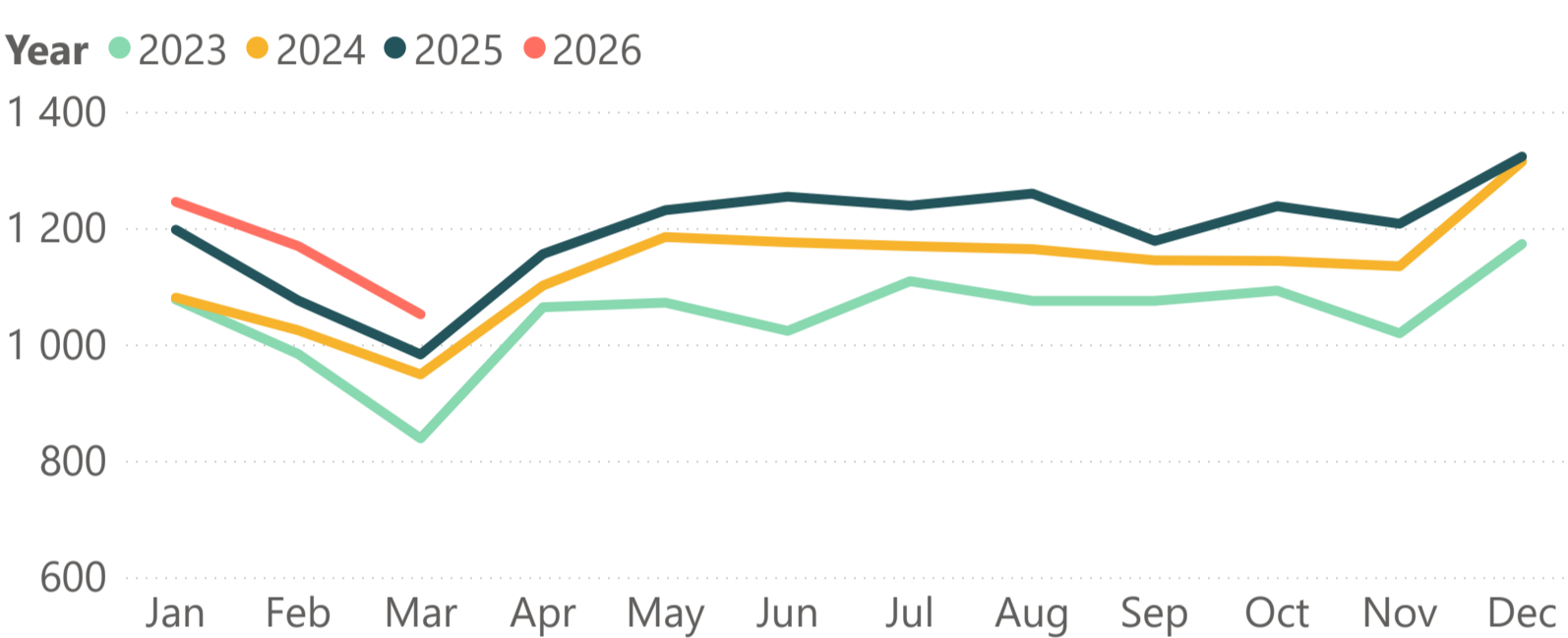
General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	4 785,5	731,9	18,1%
Expenditure	4 779,0	204,2	4,5%
Balance	6,5	527,7	

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	3 465,7	210,4	6,5%
Non tax revenue	193,4	9,0	4,9%
Self-earned revenue	161,9	20,7	14,7%
Foreign financial assistance	964,1	492,0	104,2%
Expenditure			
Remuneration	933,4	30,3	3,4%
Goods and services	510,0	-75,4	-12,9%
Interest payments	202,7	3,7	1,8%
Subsidies and grants	1 023,3	-14,4	-1,4%
Social support	1 451,4	57,4	4,1%
Payments to EU budget	93,0	-13,4	-12,6%
Capital expenditure	526,3	196,1	59,4%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	1 232,9	79,4	6,9%
VAT	981,2	67,8	7,4%
PIT	623,7	0,0	-0,0%
EXCISE	312,7	26,9	9,4%
CIT	153,4	-24,5	-13,8%

General government budget tax revenue, mln €



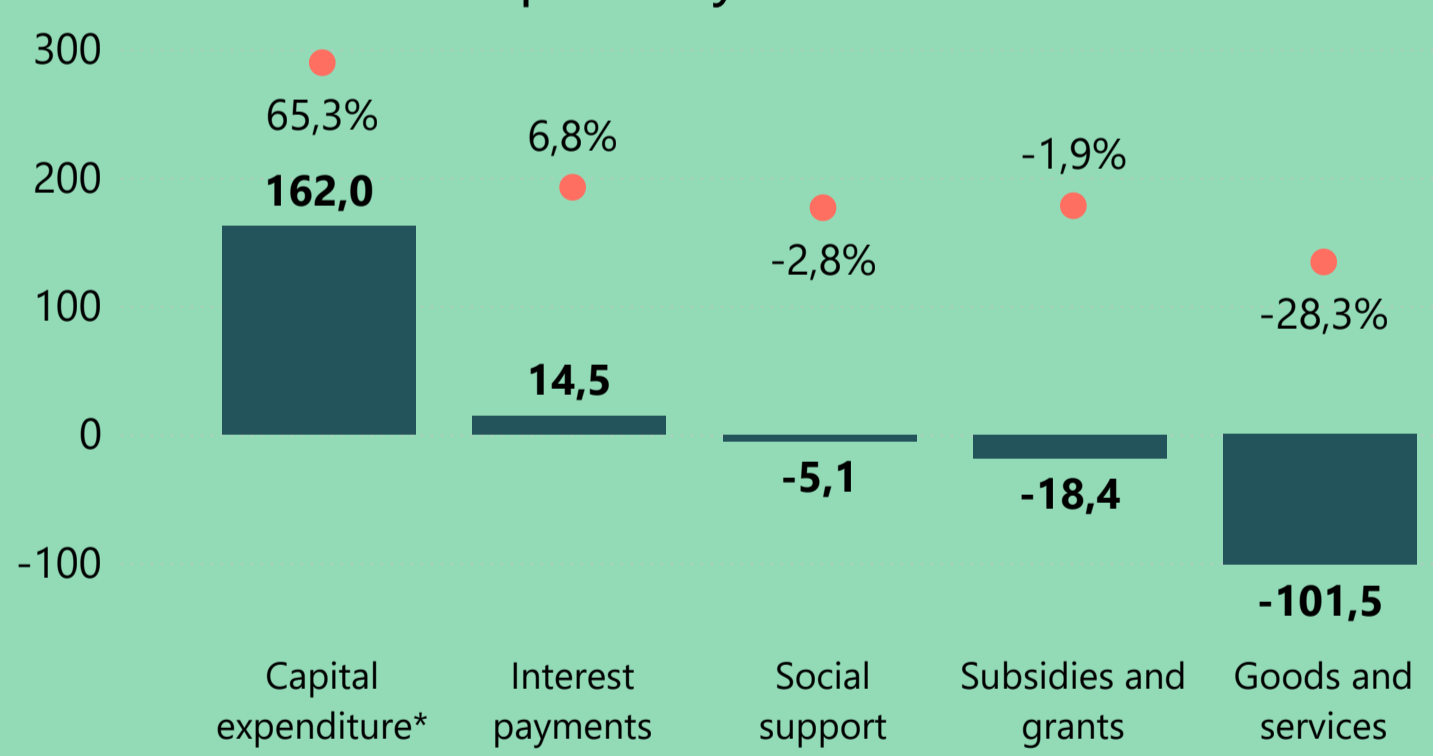
Source: State Treasury

Tax revenue in January-March 2026, including revenue in the single tax account (-54.3 mln €) and excluding SSC at the 2nd pension pillar (194.3 mln €).

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 815,3	607,6	27,5%
Expenditure	3 087,4	112,3	3,8%
Balance	-272,0	495,3	

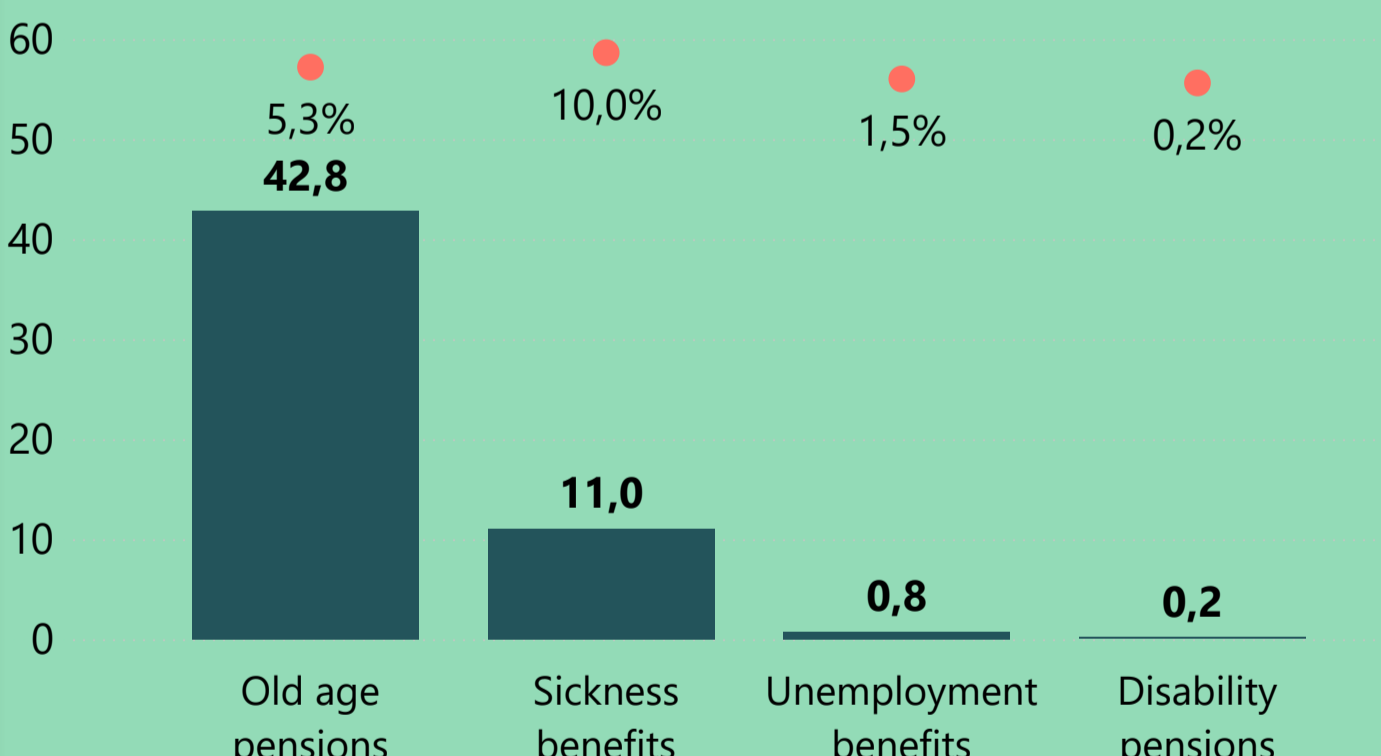
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 354,3	106,4	8,5%
Expenditure	1 208,1	58,7	5,1%
Balance	146,3	47,7	

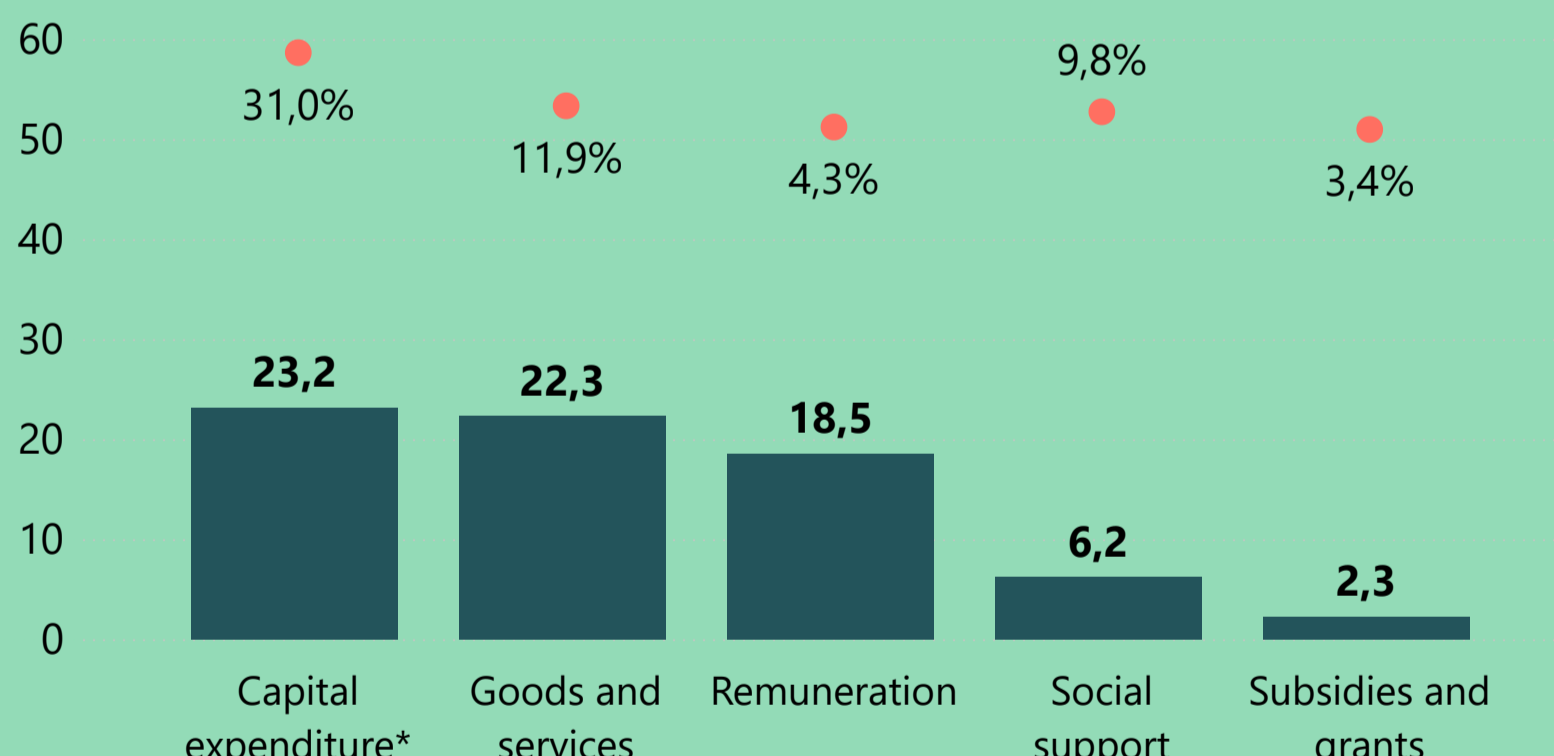
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 034,7	48,4	4,9%
Expenditure	921,0	69,0	8,1%
Balance	113,7	-20,6	

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

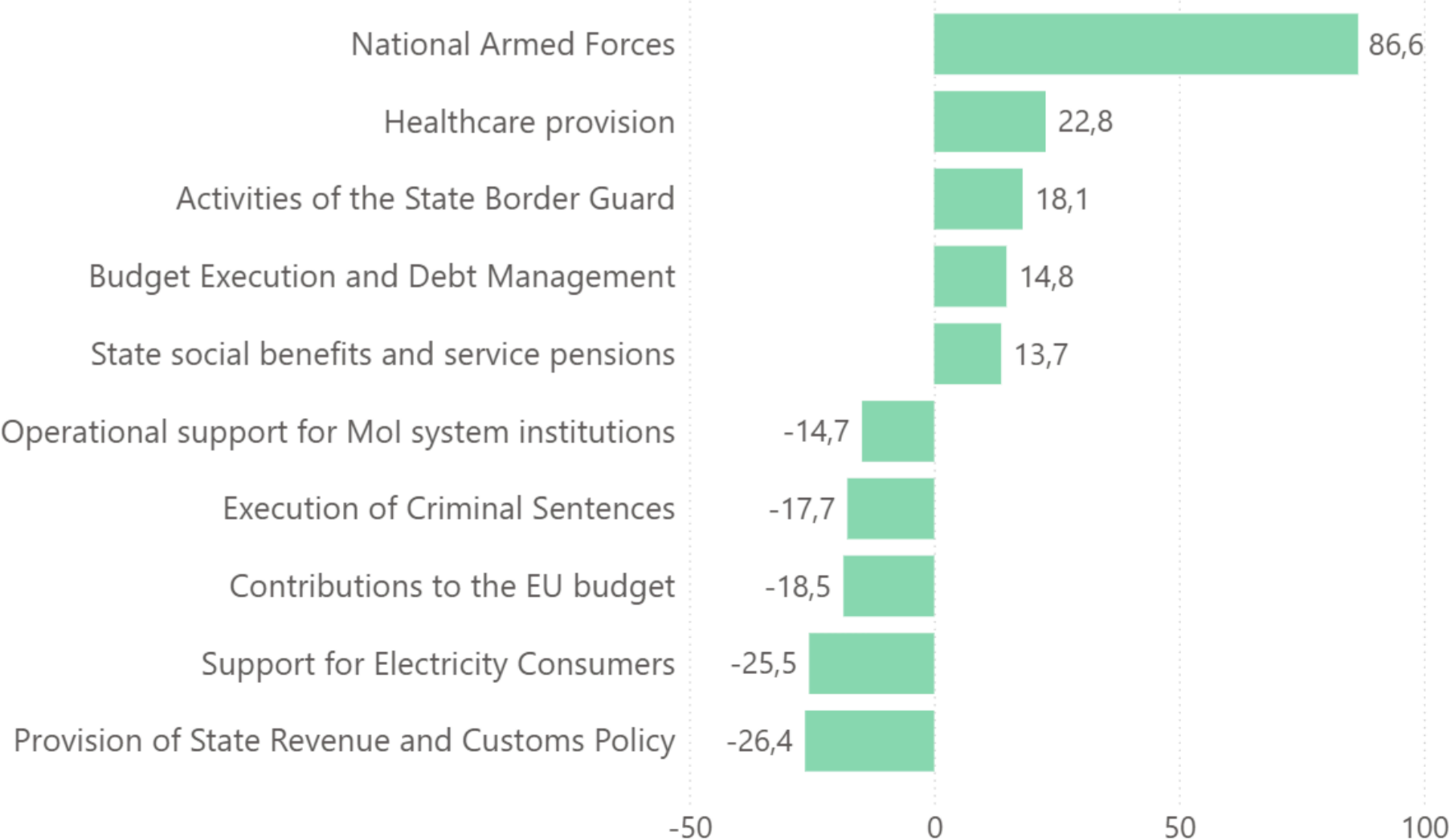


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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

BASIC FUNCTION EXPENDITURE

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



Source: State Treasury

SOCIAL SECURITY

Old-age pensions recipients

428 139
(-1.6% YoY)
I-III 2026

Old-age pensions average amount

656€
(+8.6% YoY)
I-III 2026

Unemployment benefit recipients

31 194
(-8.4% YoY)
I-III 2026

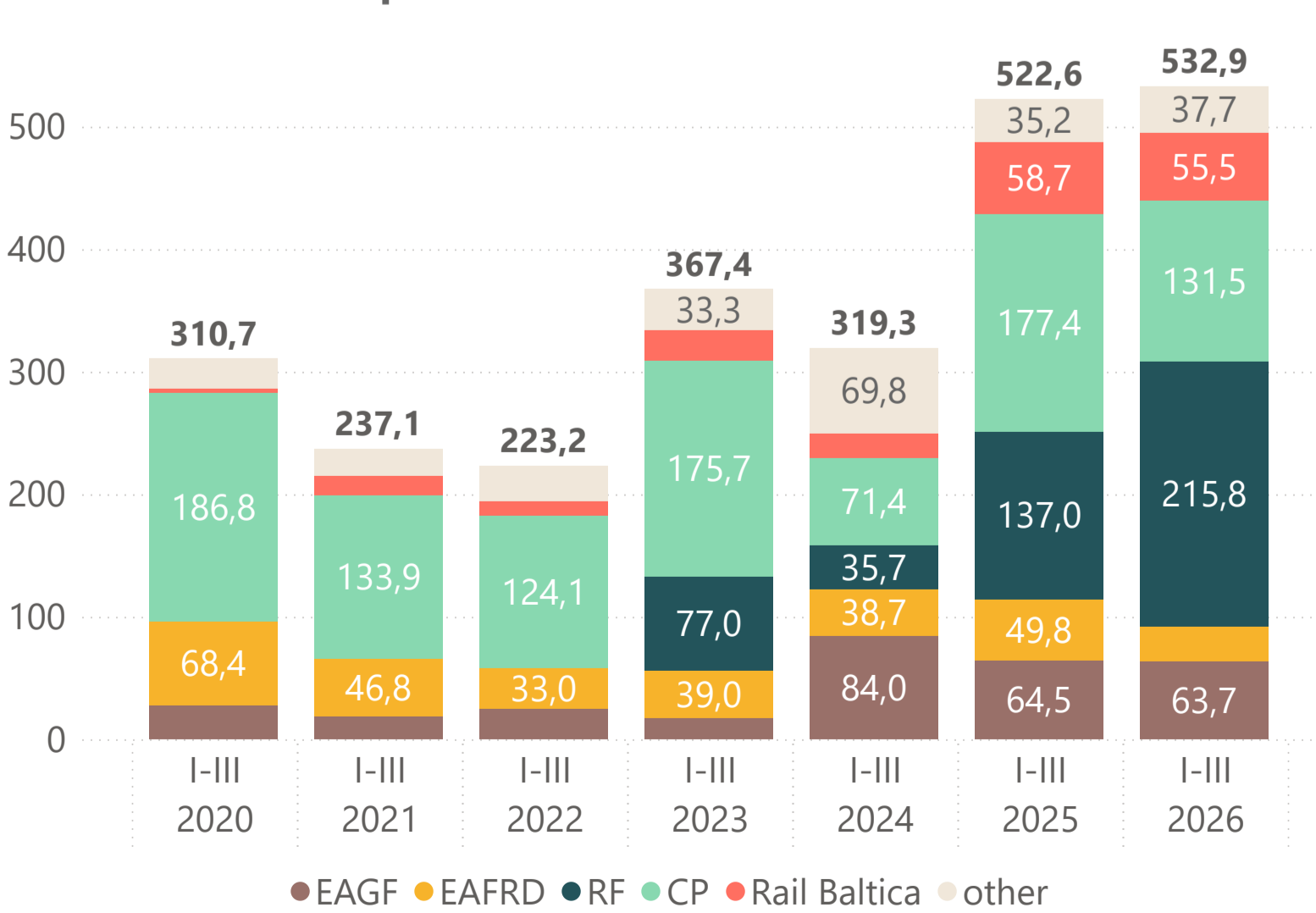
Unemployment benefit average amount

546€
(+10.7% YoY)
I-III 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