

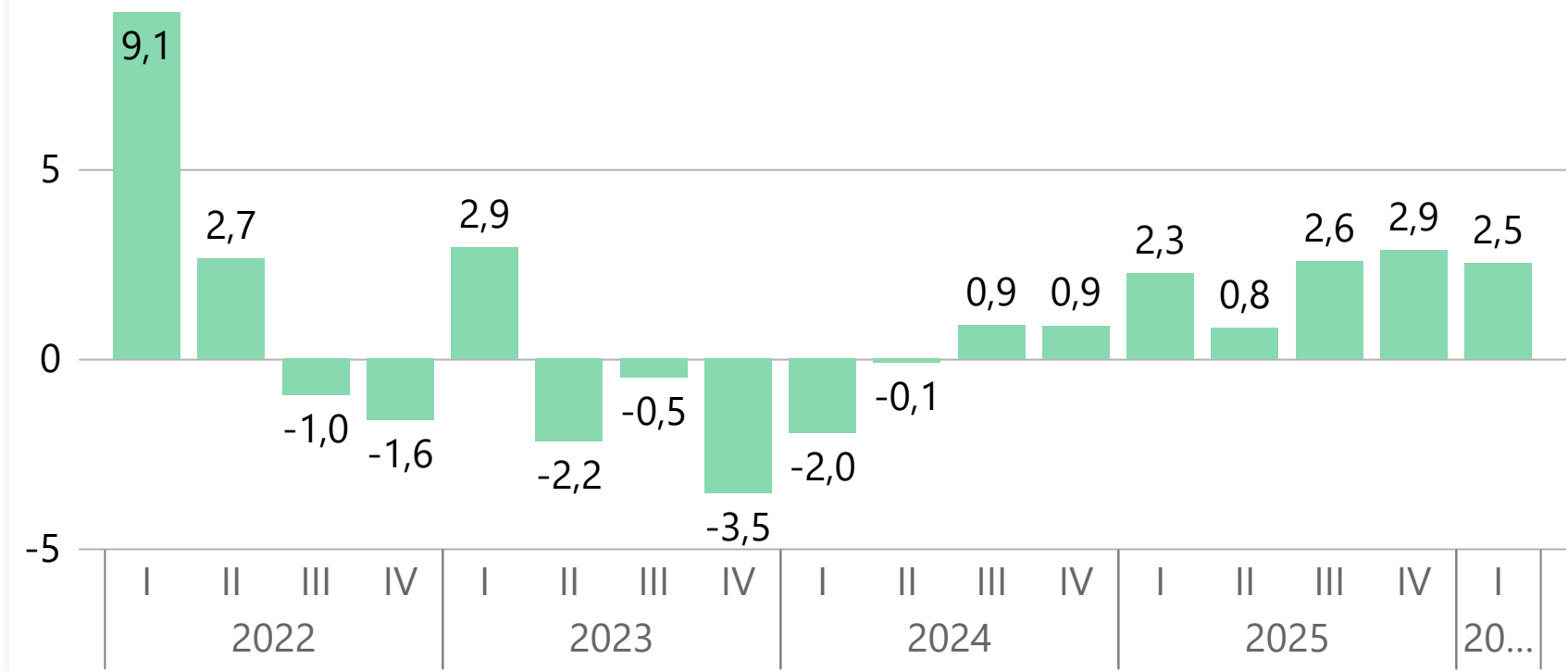
# MACROECONOMIC AND BUDGETARY REVIEW

## No 5/2026

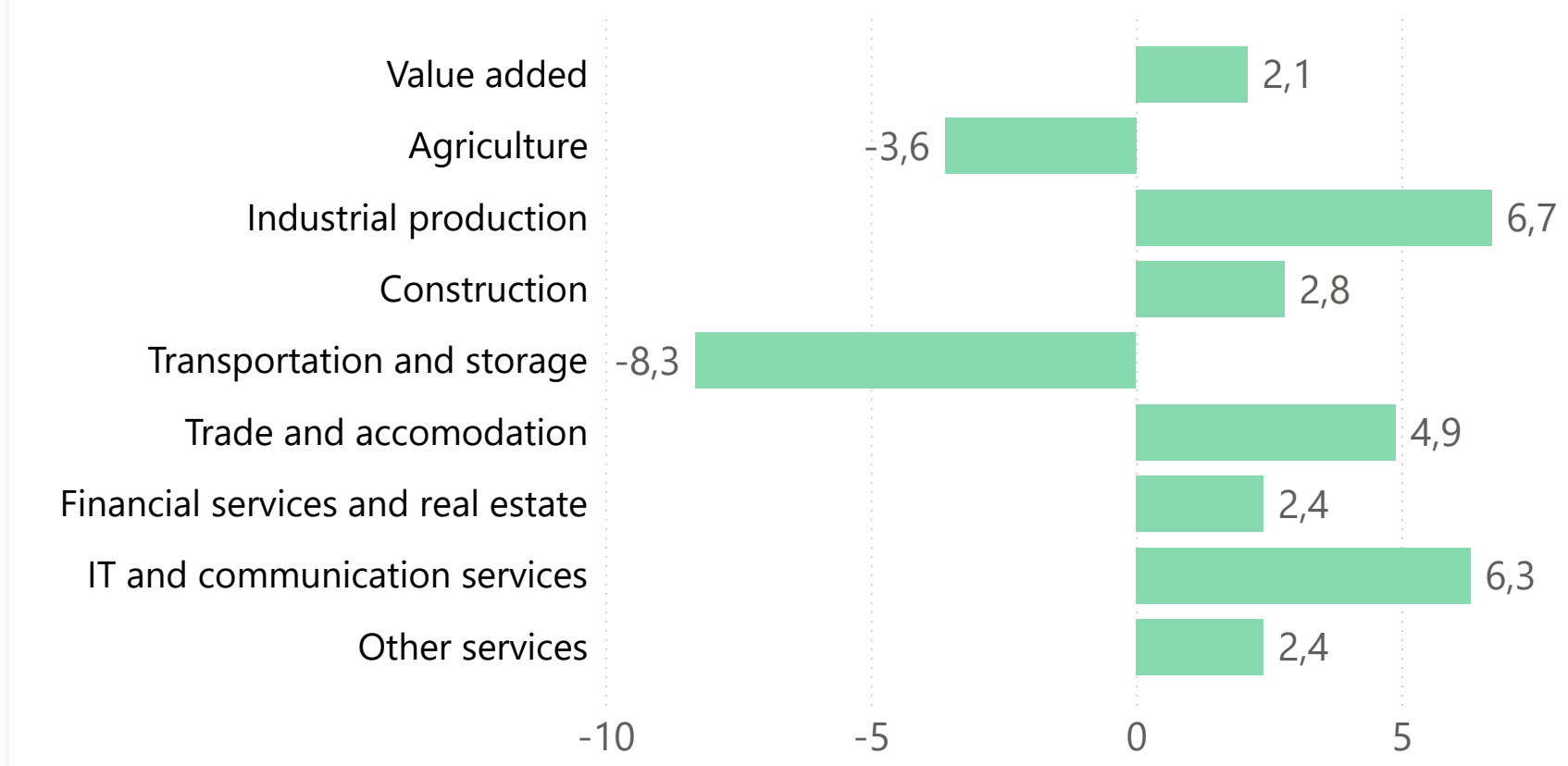
### GROSS DOMESTIC PRODUCT (GDP)



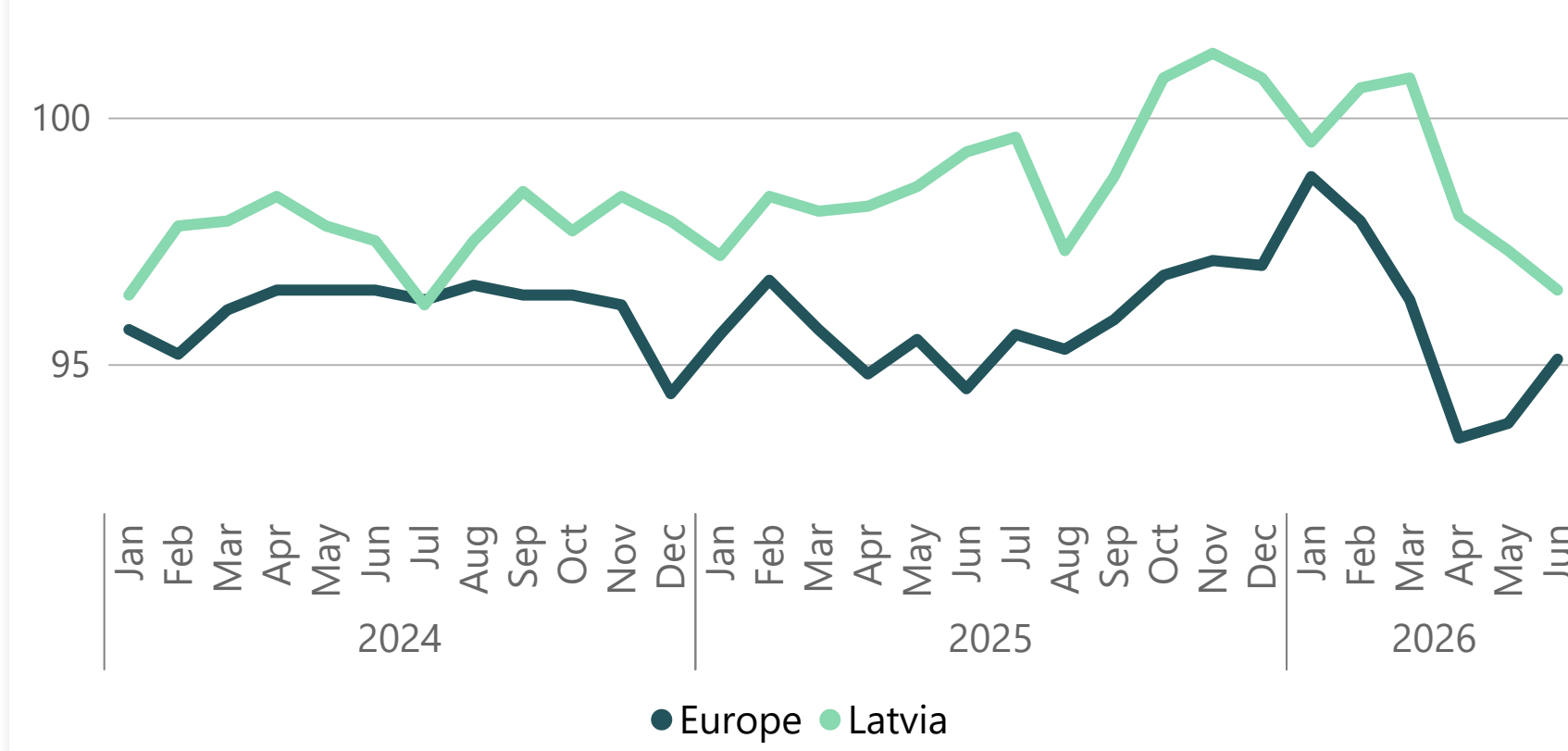
GDP growth, YoY%



GDP growth by sectoral breakdown  
2026 Q1/2025 Q1

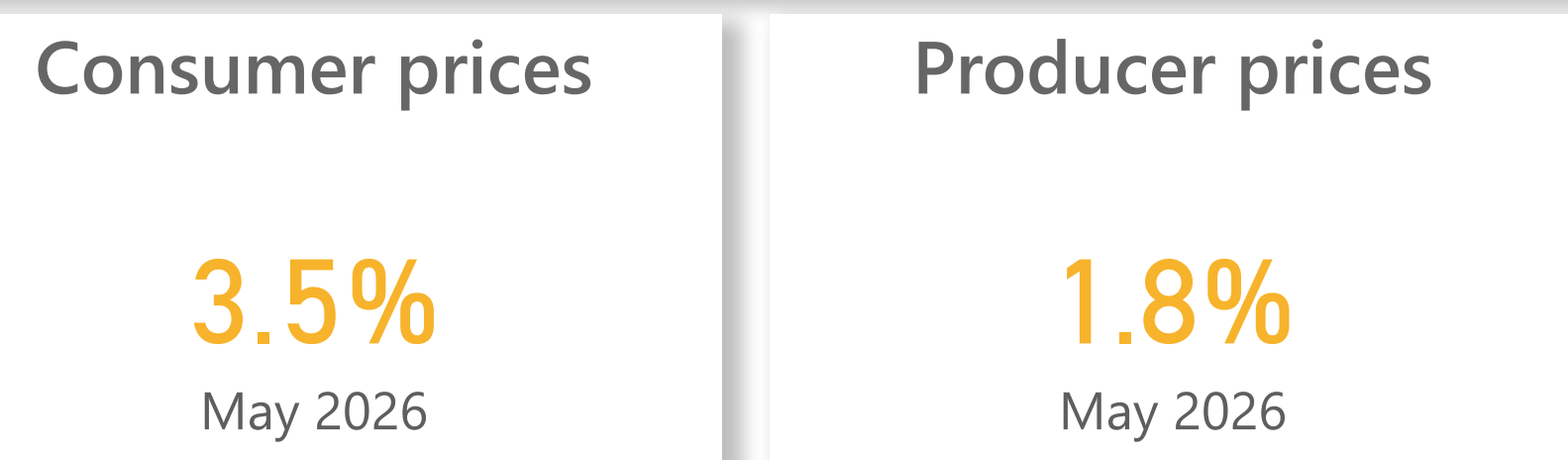


ESI Economic confidence

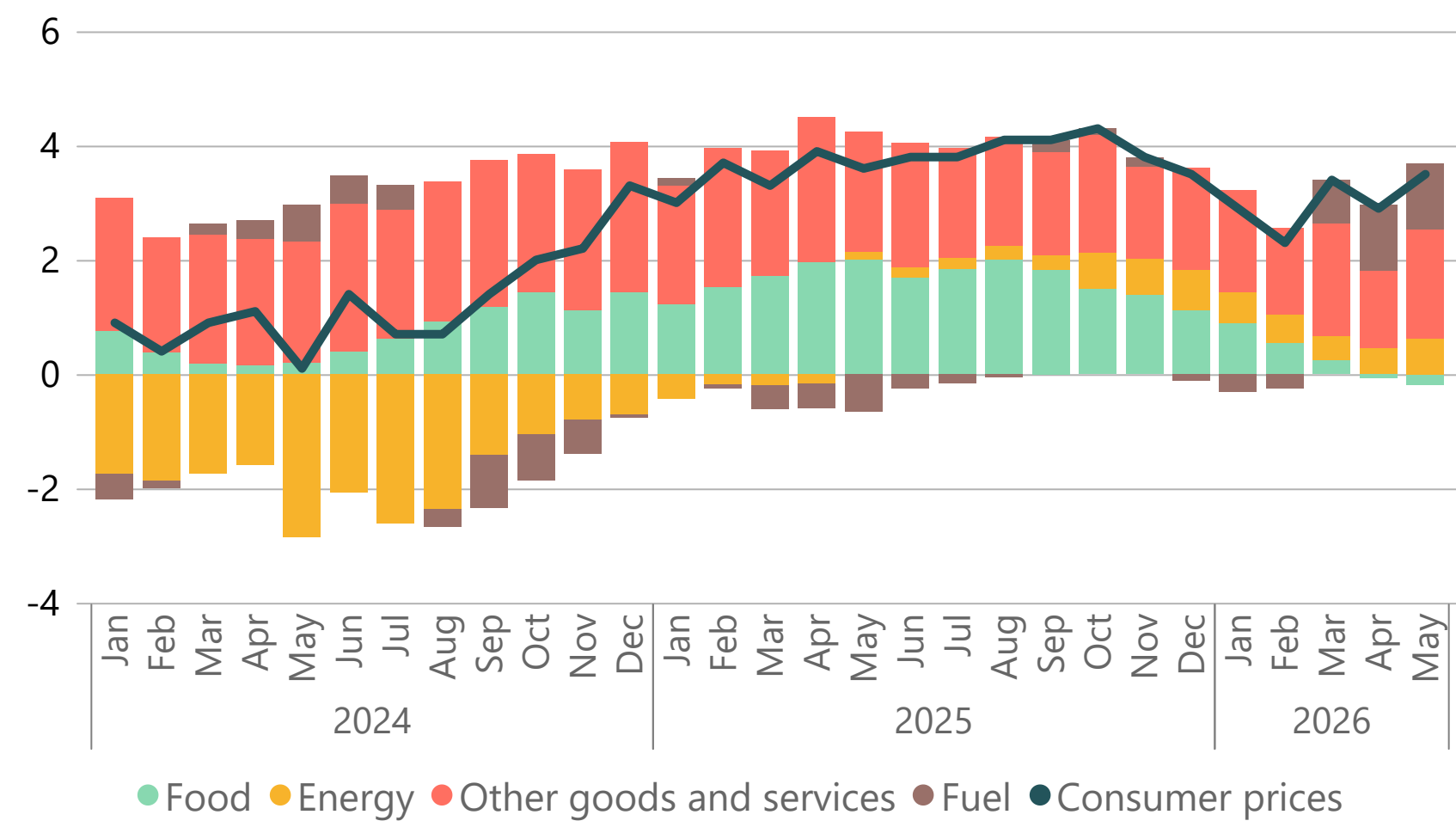


Source: European Commission; Central Statistical Bureau(CSB).

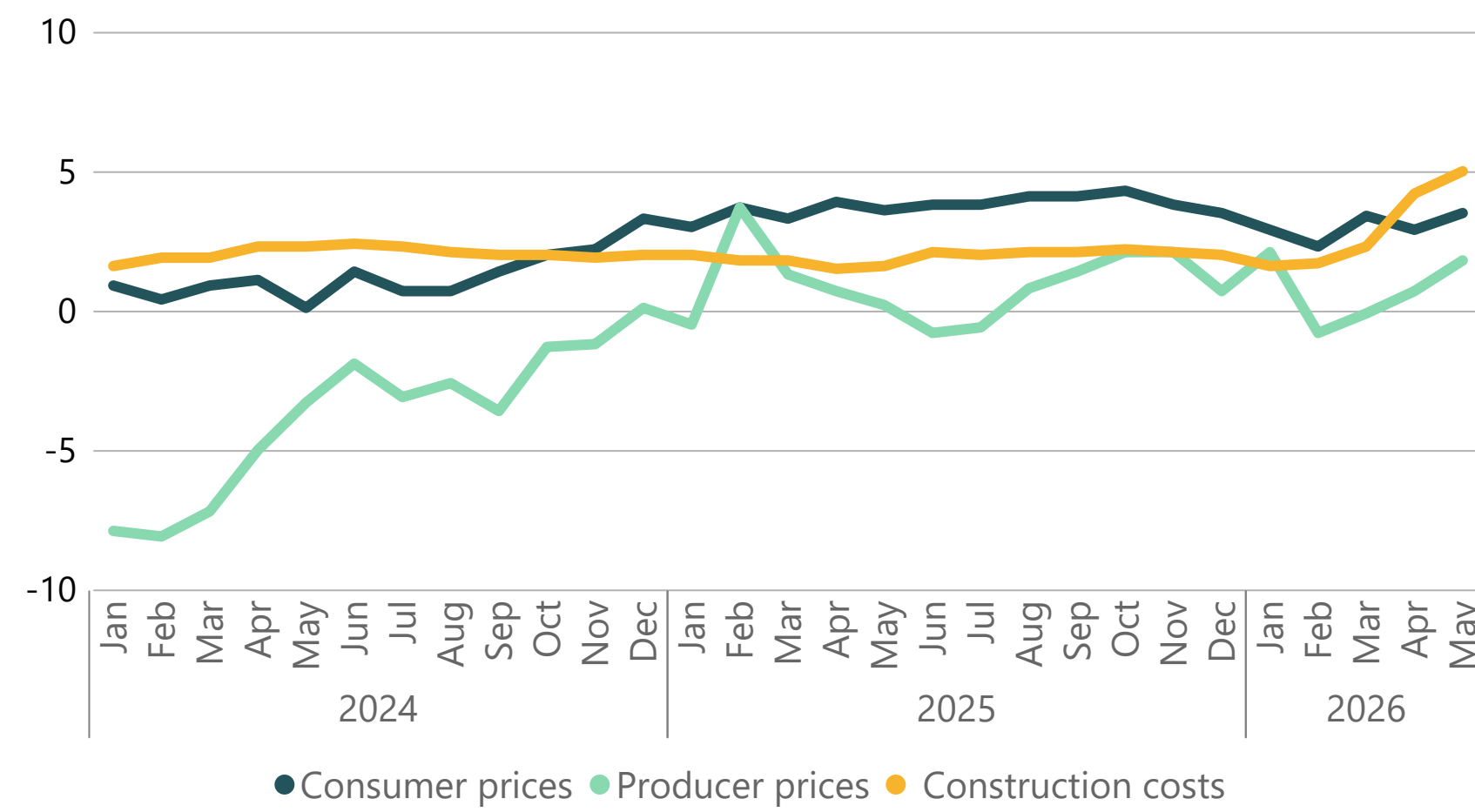
### INFLATION



Consumer prices, YoY%



Prices, YoY%



Source: CSB

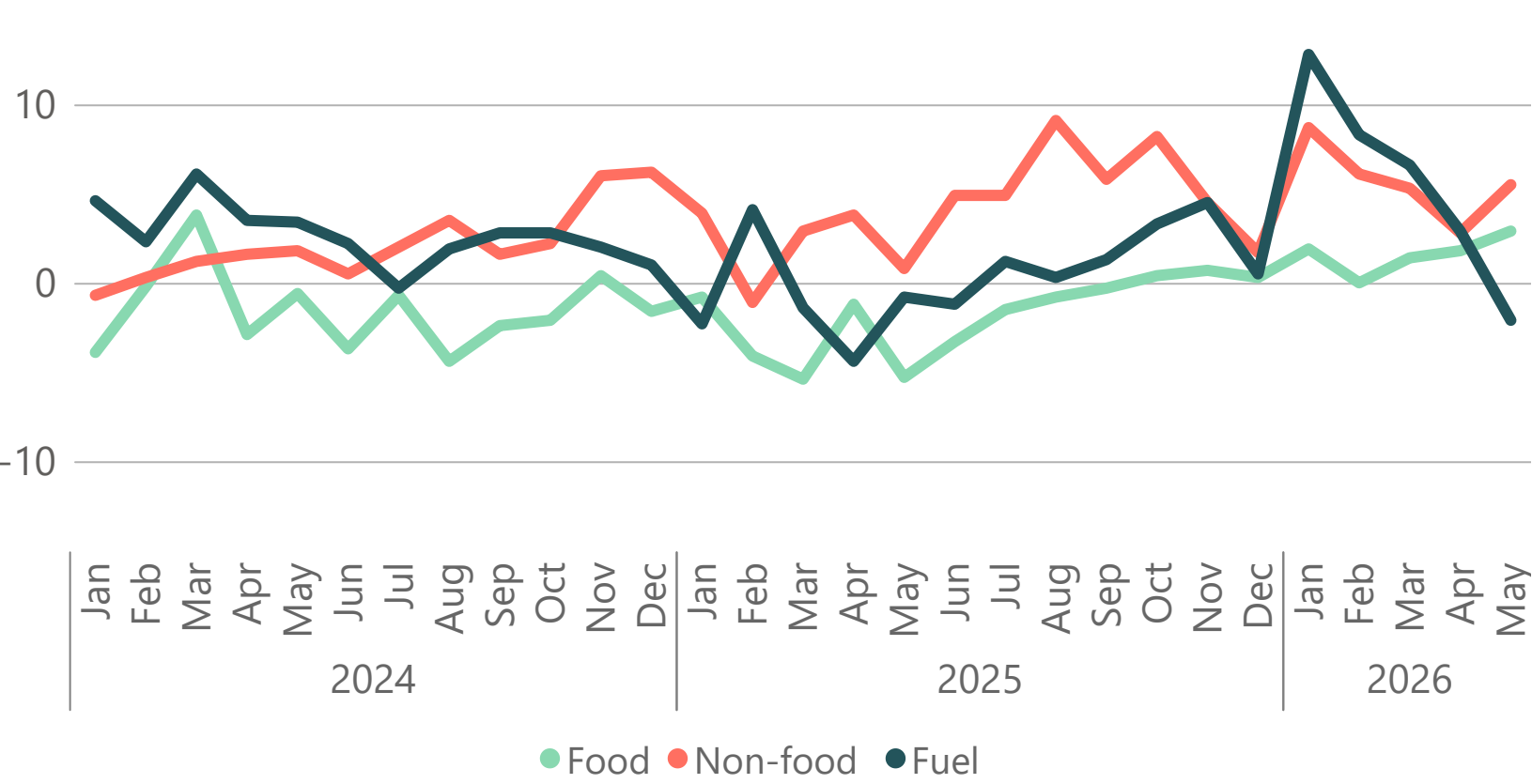
### MAIN MACROECONOMIC INDICATORS

| 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   |

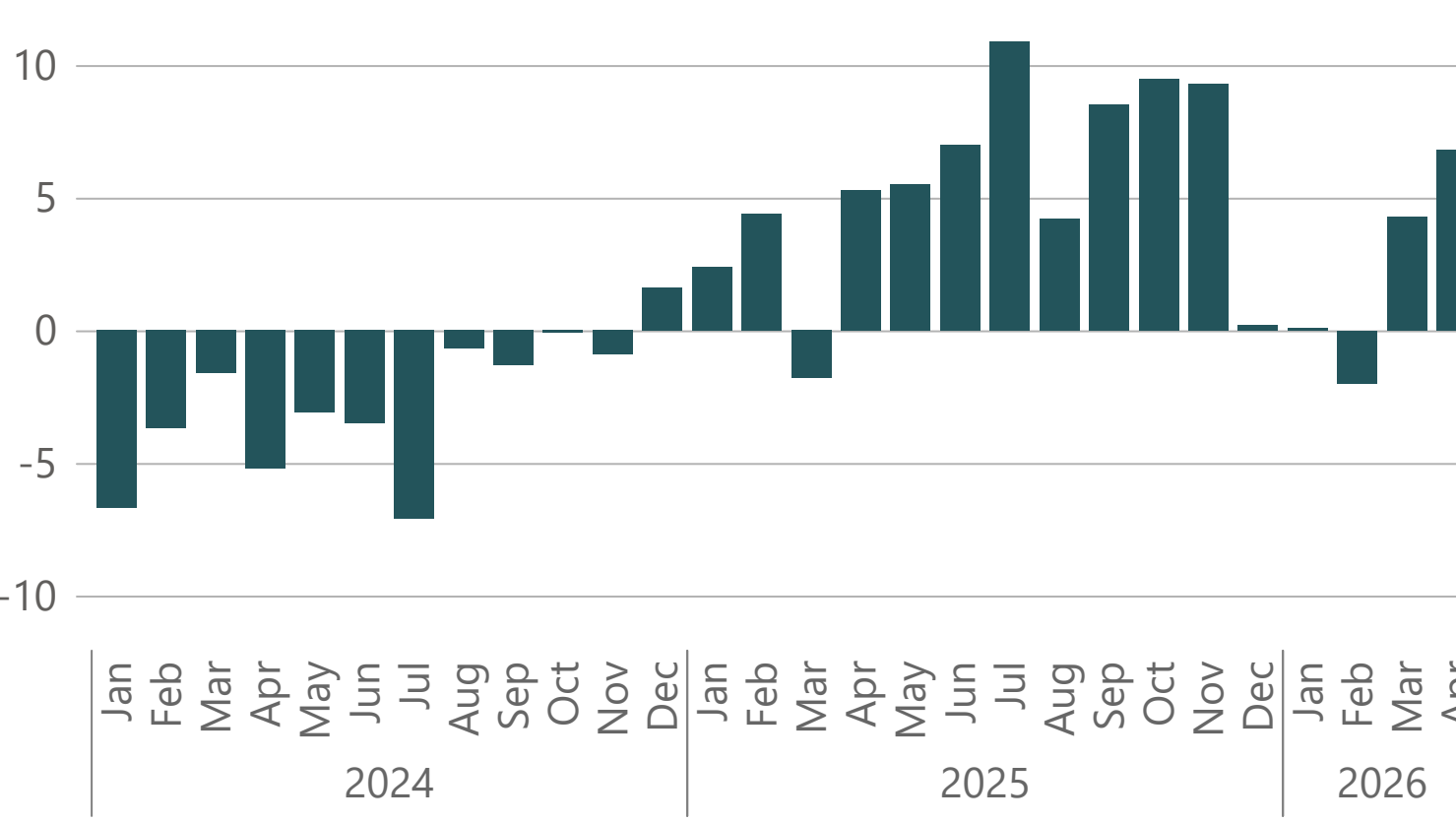
Source: CSB (21.04.2026), \*forecasts of the Ministry of Finance of the Republic of Latvia (February 2026)

### INDUSTRIES

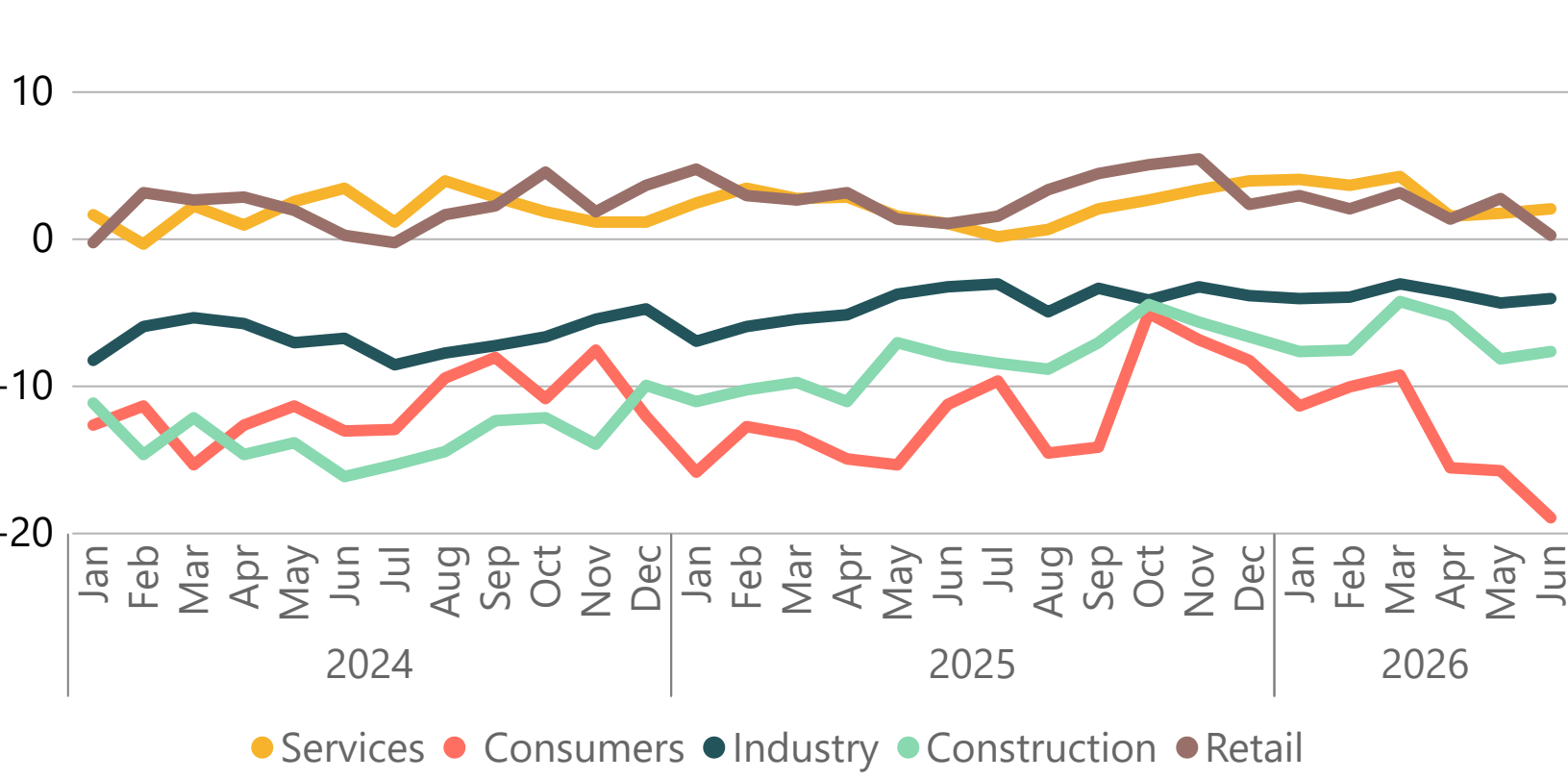
Retail trade growth, YoY%



Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



# GENERAL GOVERNMENT BUDGET

## General government budget balance 2026

**-3.0% of GDP**

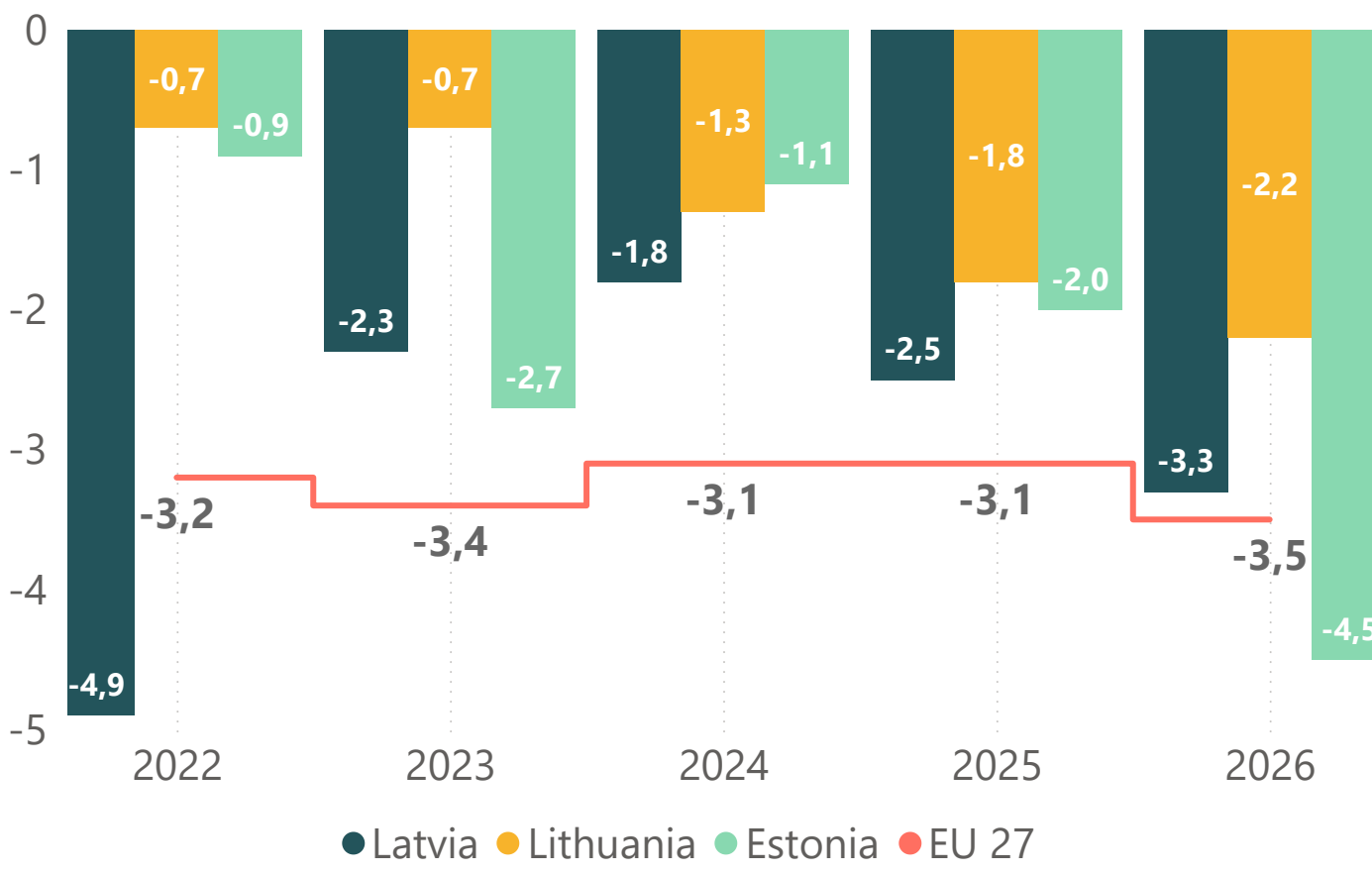
Assessment MoF, April 2026

## General government debt 2026

**47.9% of GDP**

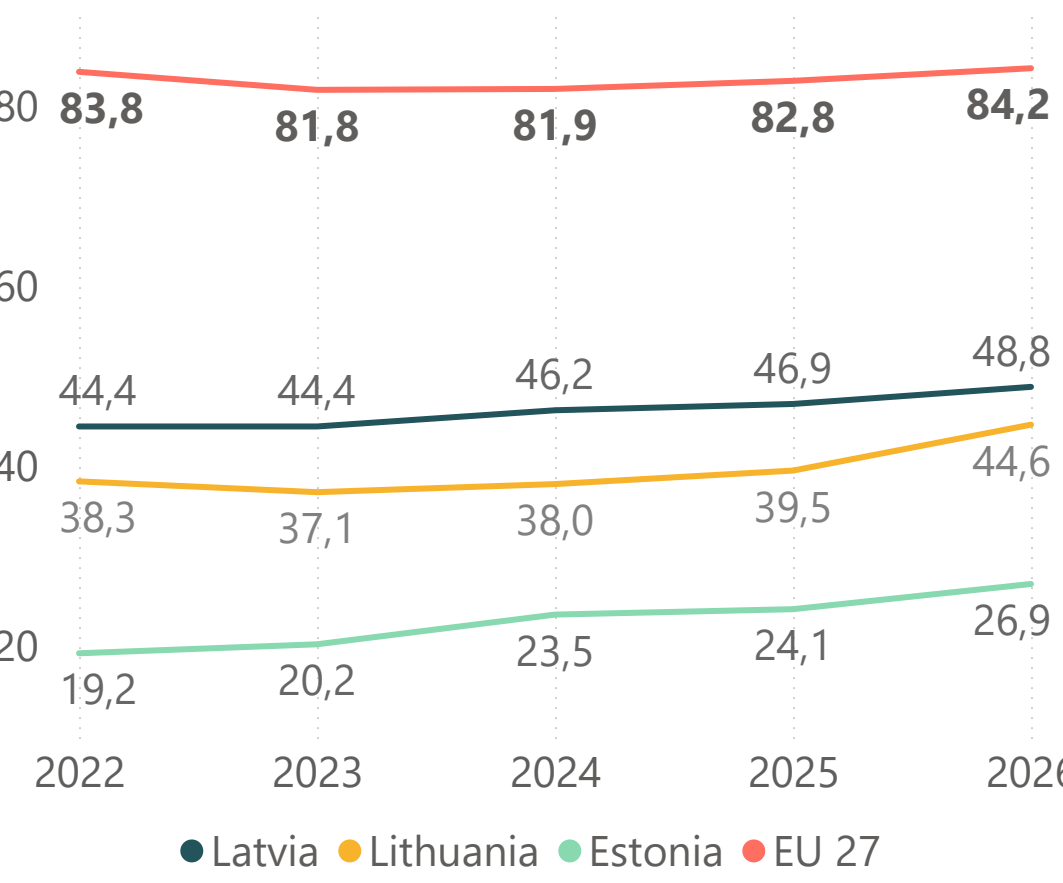
Assessment Treasury, April 2026

### General government budget balance, % of GDP

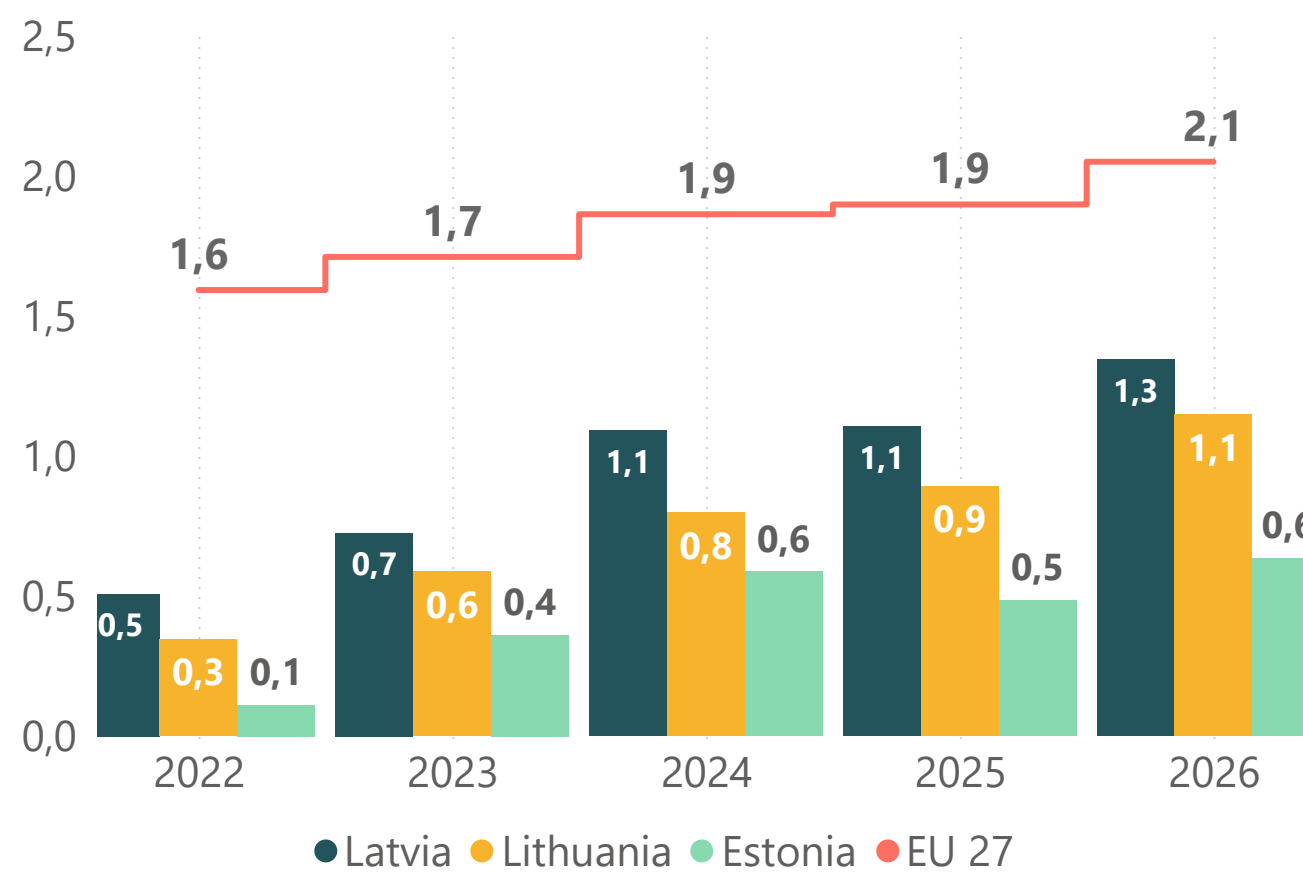


Source: Eurostat (2022-2025), AMECO spring forecast 2026

### General government debt, % of GDP

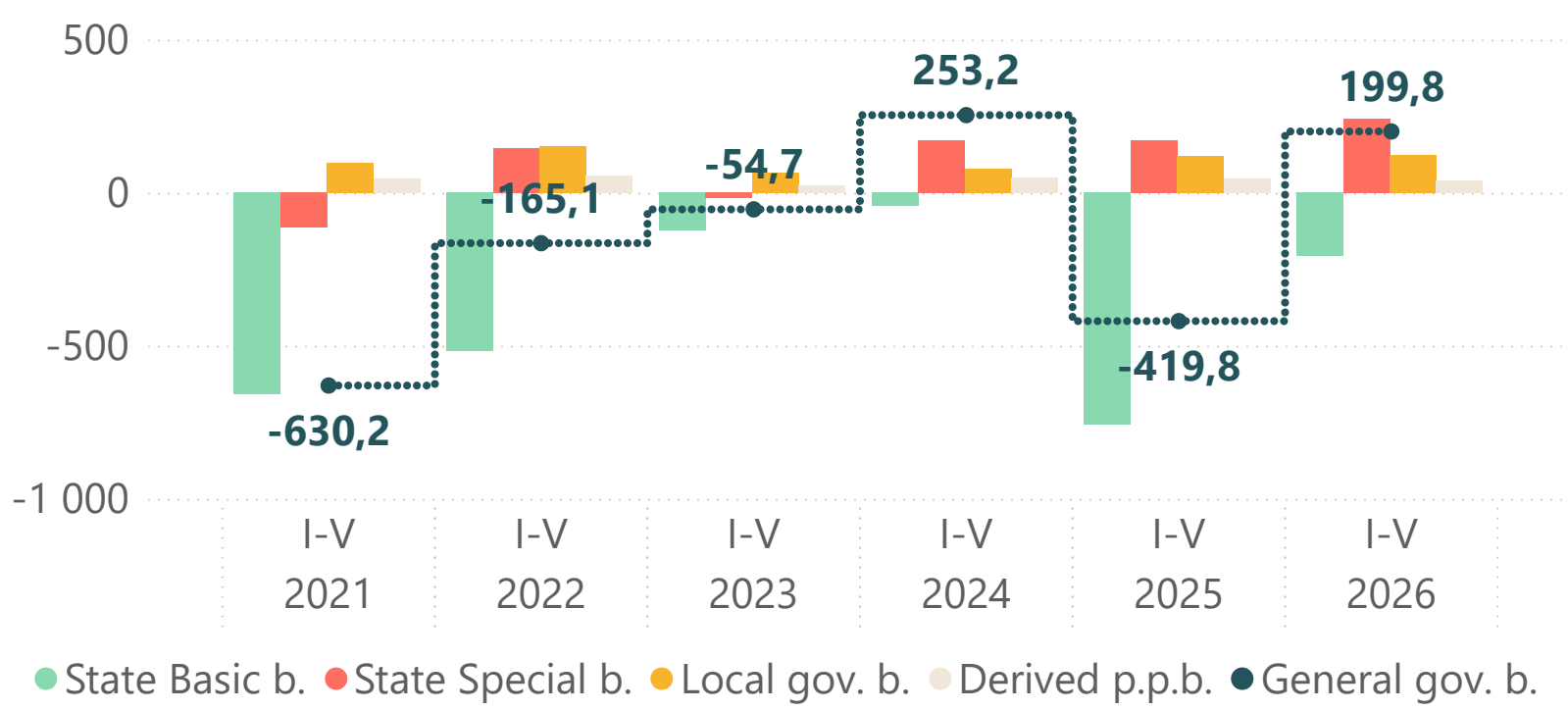


### Interest expenditure (D.41), % of GDP

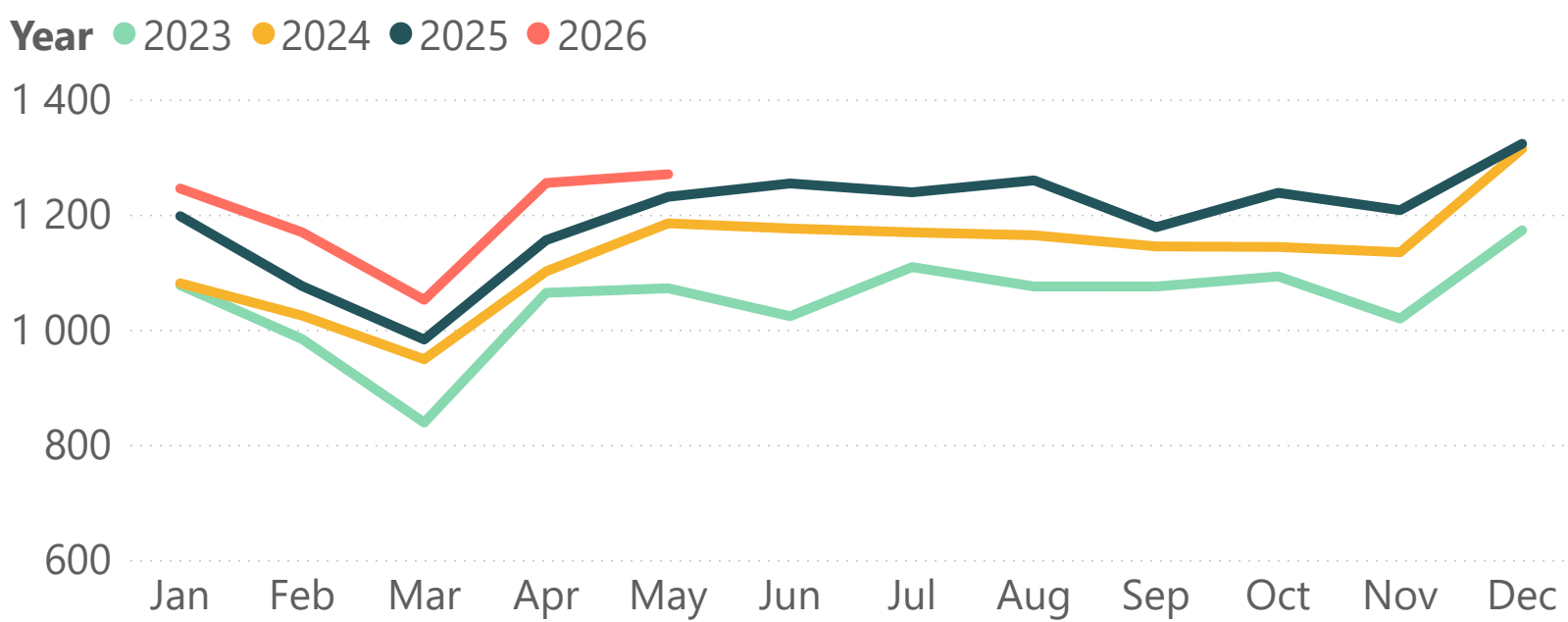


## GENERAL GOVERNMENT BUDGET IN JANUARY-MAY 2026 ON CASH BASIS

### General government budget balance, mln €



### General government budget tax revenue, mln €



Source: State Treasury

Tax revenue in January-May 2026, including revenue in the single tax account (-56.6 mln €) and excluding SSC at the 2nd pension pillar (325.9 mln €).

| General government budget | Execution, mln € | YoY, mln € | YoY, % |
|---------------------------|------------------|------------|--------|
| Revenue                   | 8 105,6          | 882,6      | 12,2%  |
| Expenditure               | 7 905,8          | 263,0      | 3,4%   |
| Balance                   | 199,8            | 619,7      |        |

### General government budget tax revenue

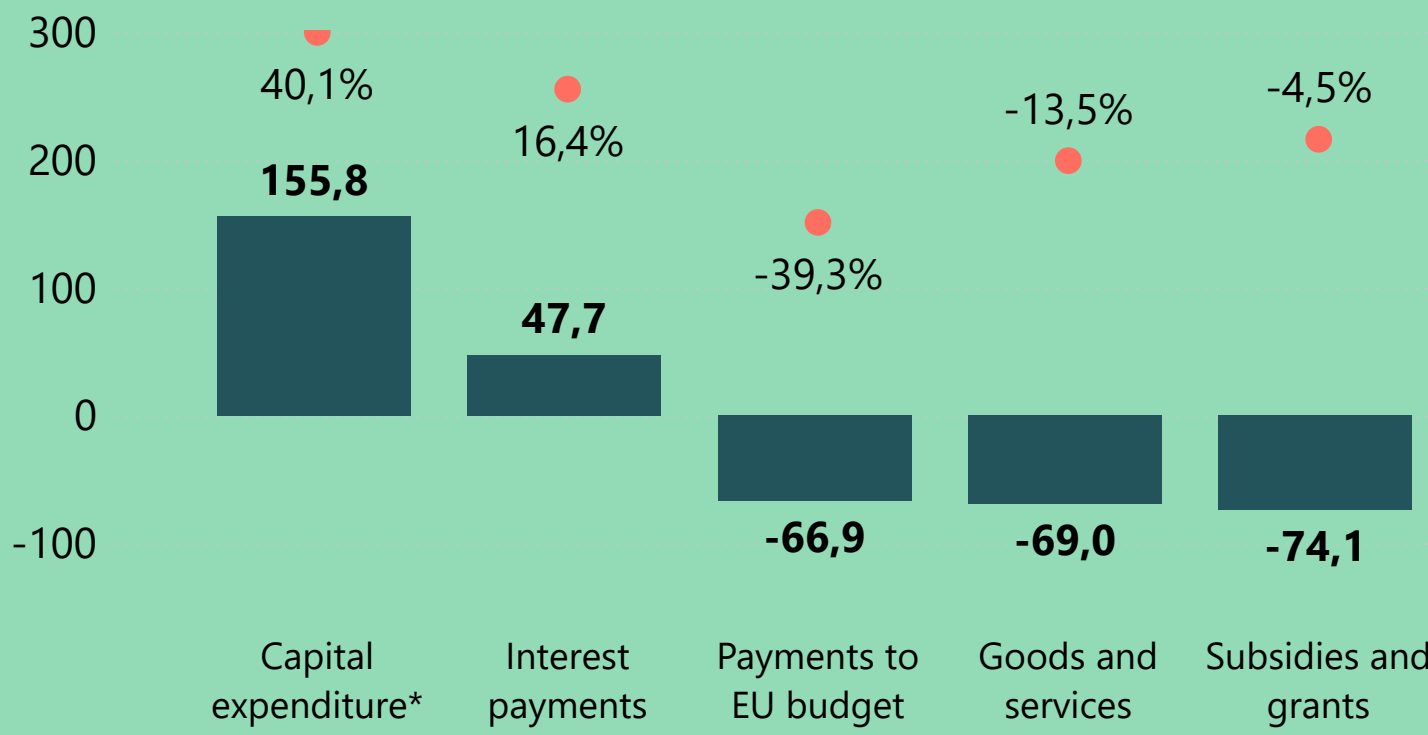
| Tax type | Execution, mln € | YoY, mln € | YoY, % |
|----------|------------------|------------|--------|
| SSC      | 2 095,5          | 146,3      | 7,5%   |
| VAT      | 1 687,2          | 107,8      | 6,8%   |
| PIT      | 1 060,6          | 37,0       | 3,6%   |
| EXCISE   | 530,2            | 27,2       | 5,4%   |
| CIT      | 331,9            | -47,8      | -12,6% |

| General government budget    | Execution, mln € | YoY, mln € | YoY, % |
|------------------------------|------------------|------------|--------|
| <b>Revenue</b>               |                  |            |        |
| Tax revenue                  | 5 990,3          | 348,9      | 6,2%   |
| Non tax revenue              | 370,7            | 68,9       | 22,8%  |
| Self-earned revenue          | 254,6            | 2,1        | 0,8%   |
| Foreign financial assistance | 1 489,4          | 462,9      | 45,1%  |
| <b>Expenditure</b>           |                  |            |        |
| Remuneration                 | 1 680,2          | 49,2       | 3,0%   |
| Goods and services           | 865,0            | -35,7      | -4,0%  |
| Interest payments            | 316,7            | 35,8       | 12,7%  |
| Subsidies and grants         | 1 679,4          | -69,4      | -4,0%  |
| Social support               | 2 456,5          | 147,2      | 6,4%   |
| Payments to EU budget        | 103,4            | -66,9      | -39,3% |
| Capital expenditure          | 752,7            | 183,9      | 32,3%  |

### STATE BASIC BUDGET

| State Basic Budget | Execution, mln € | YoY, mln € | YoY, % |
|--------------------|------------------|------------|--------|
| Revenue            | 4 804,2          | 653,2      | 15,7%  |
| Expenditure        | 5 010,4          | 102,4      | 2,1%   |
| Balance            | -206,1           | 550,9      |        |

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



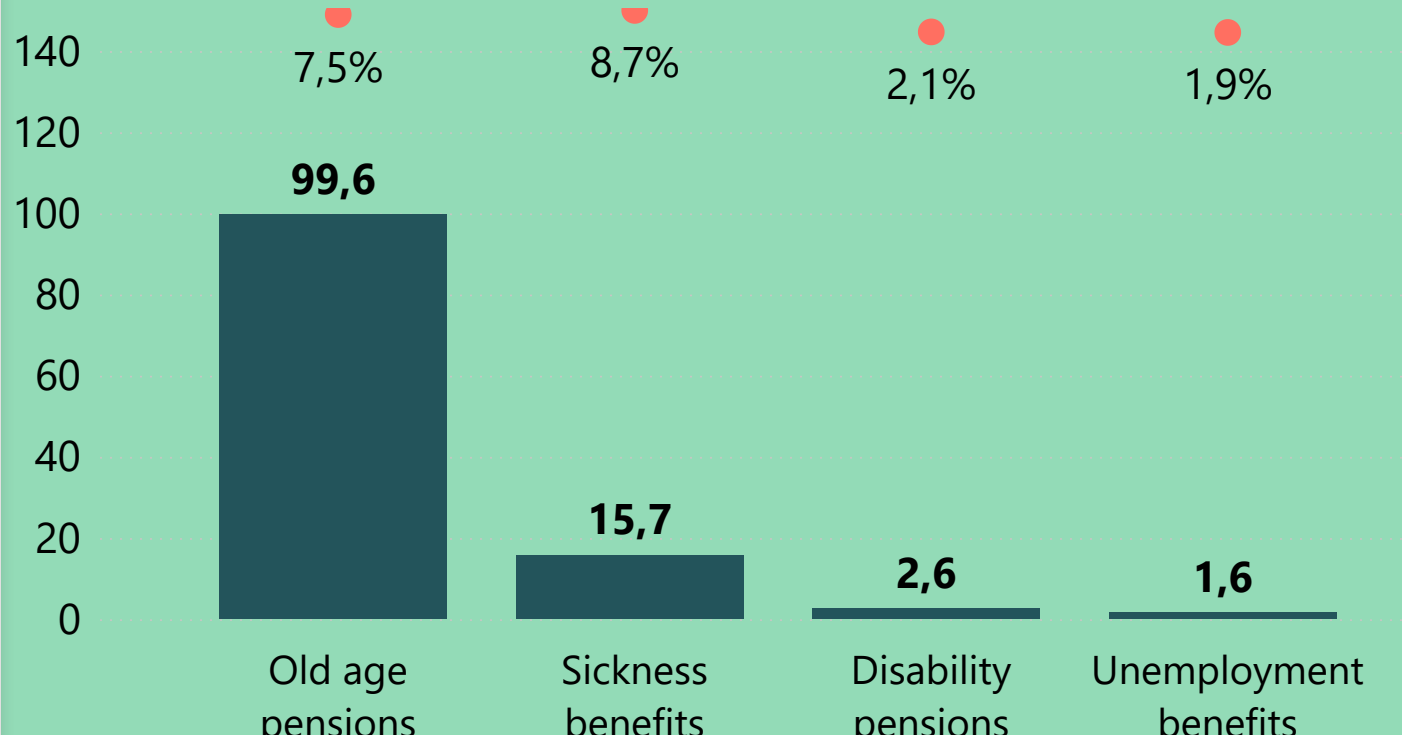
\*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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              | 2 281,7          | 198,2      | 9,5%   |
| Expenditure          | 2 038,9          | 125,8      | 6,6%   |
| Balance              | 242,8            | 72,4       |        |

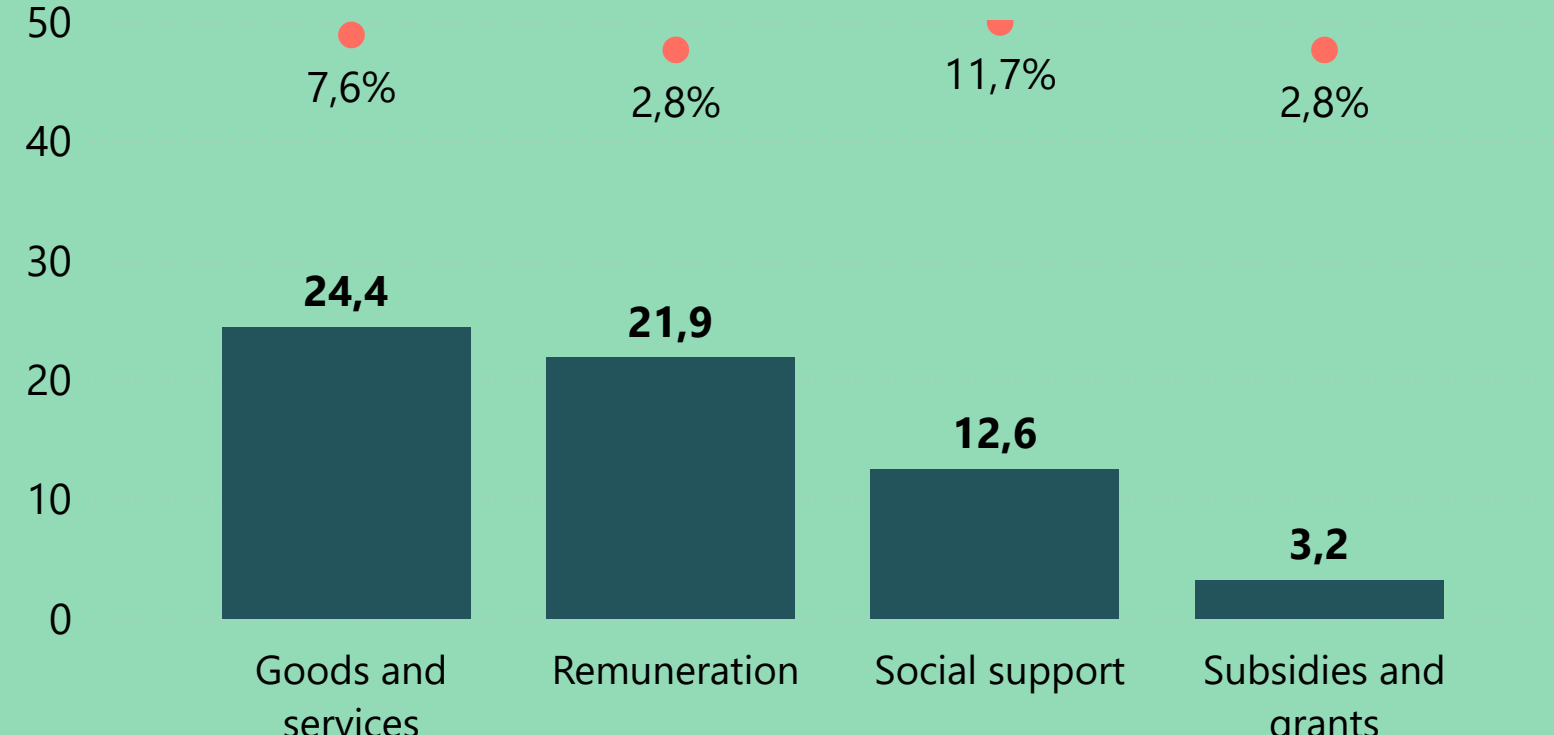
#### Major changes in mln € and % against respective period year before



### LOCAL GOVERNMENT BUDGET

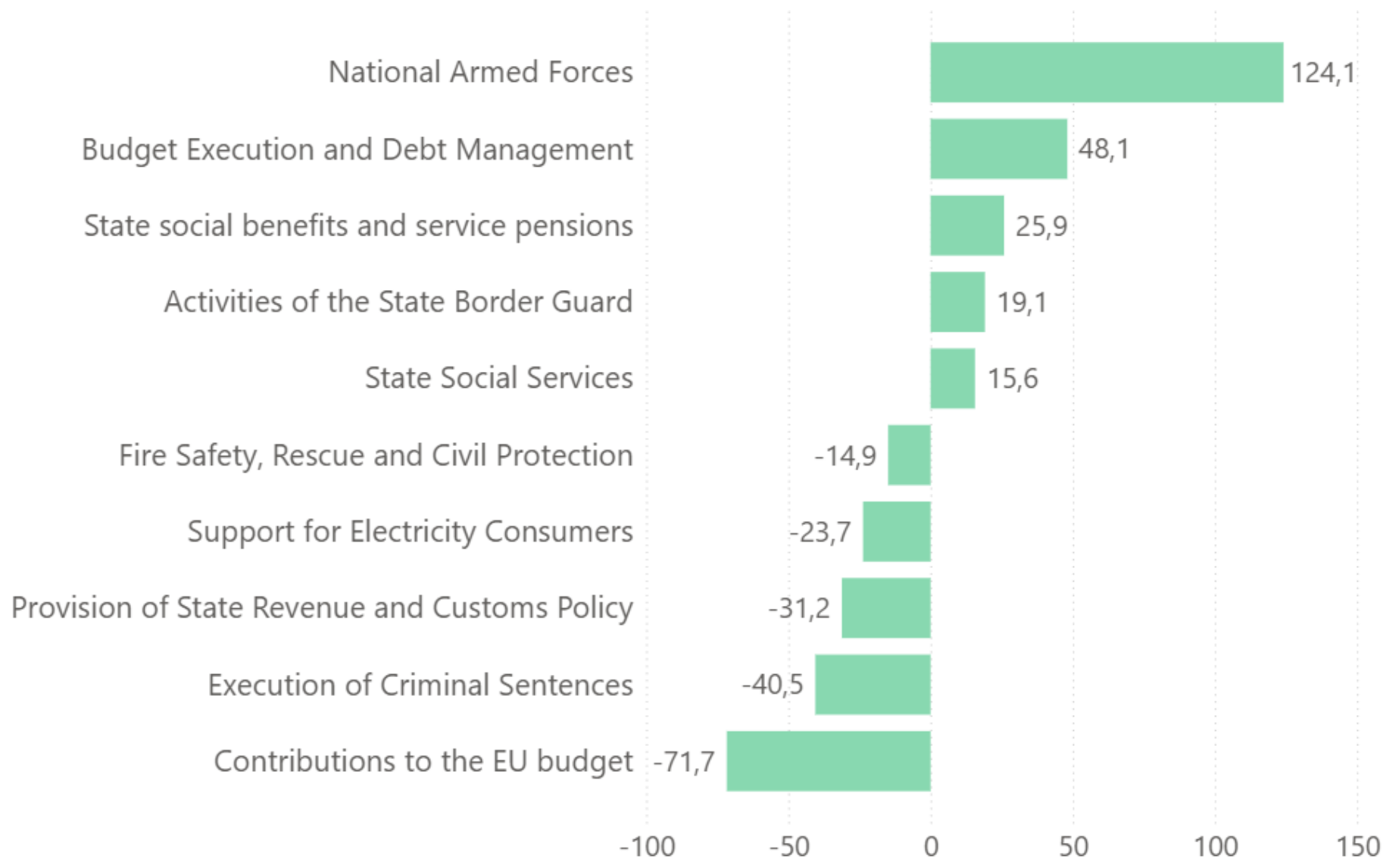
| Local Government Budget | Execution, mln € | YoY, mln € | YoY, % |
|-------------------------|------------------|------------|--------|
| Revenue                 | 1 707,4          | 57,3       | 3,5%   |
| Expenditure             | 1 585,5          | 56,2       | 3,7%   |
| Balance                 | 121,9            | 1,2        |        |

#### Major changes in mln € and % 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

**434 739**  
(+0.9% YoY)

May 2026

#### Old-age pensions average amount

**663€ (+9.5% YoY)**

May 2026

#### Unemployment benefit recipients

**28 843**  
(-5.5% YoY)

May 2026

#### Unemployment benefit average amount

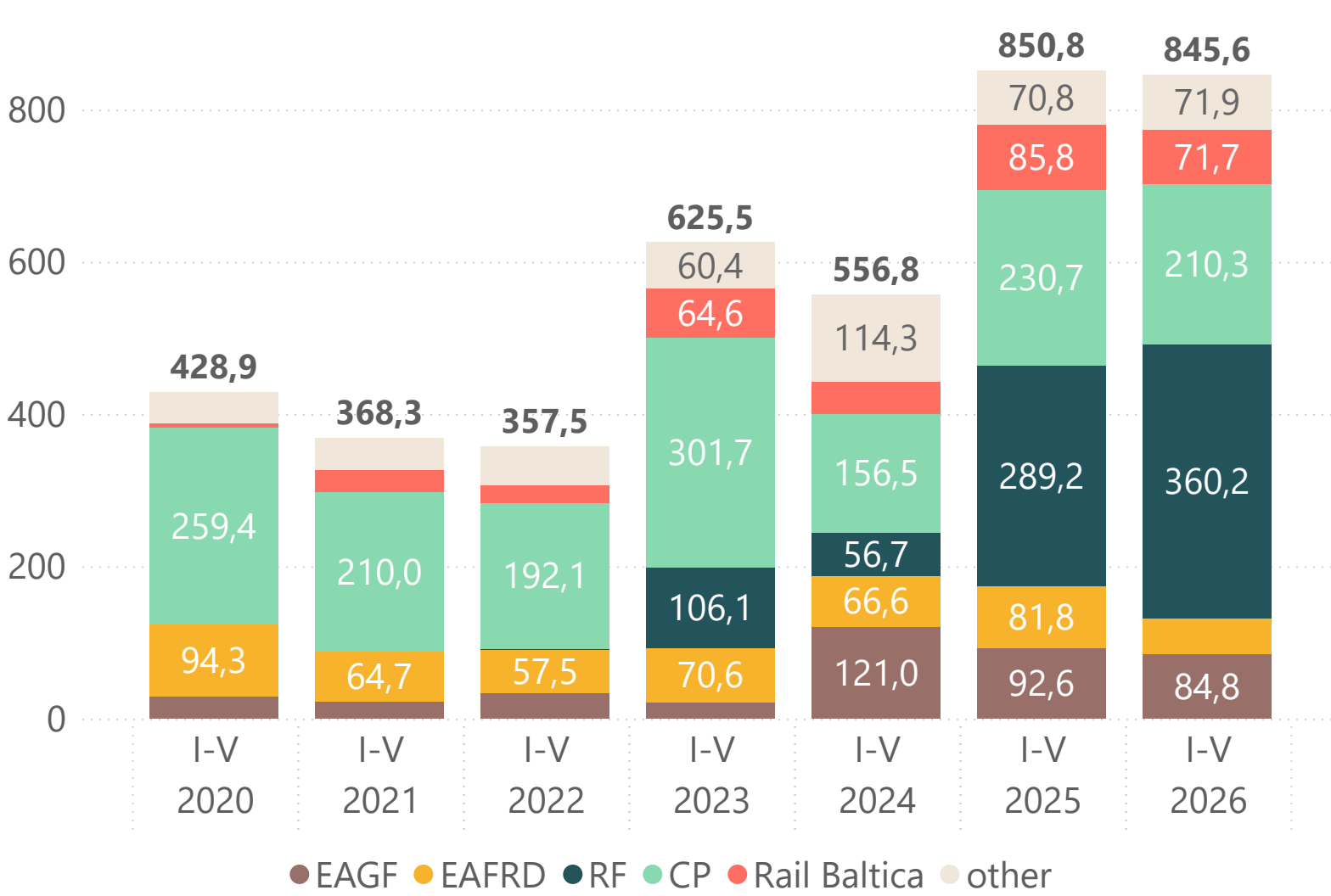
**527€ (+8.7% YoY)**

May 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