

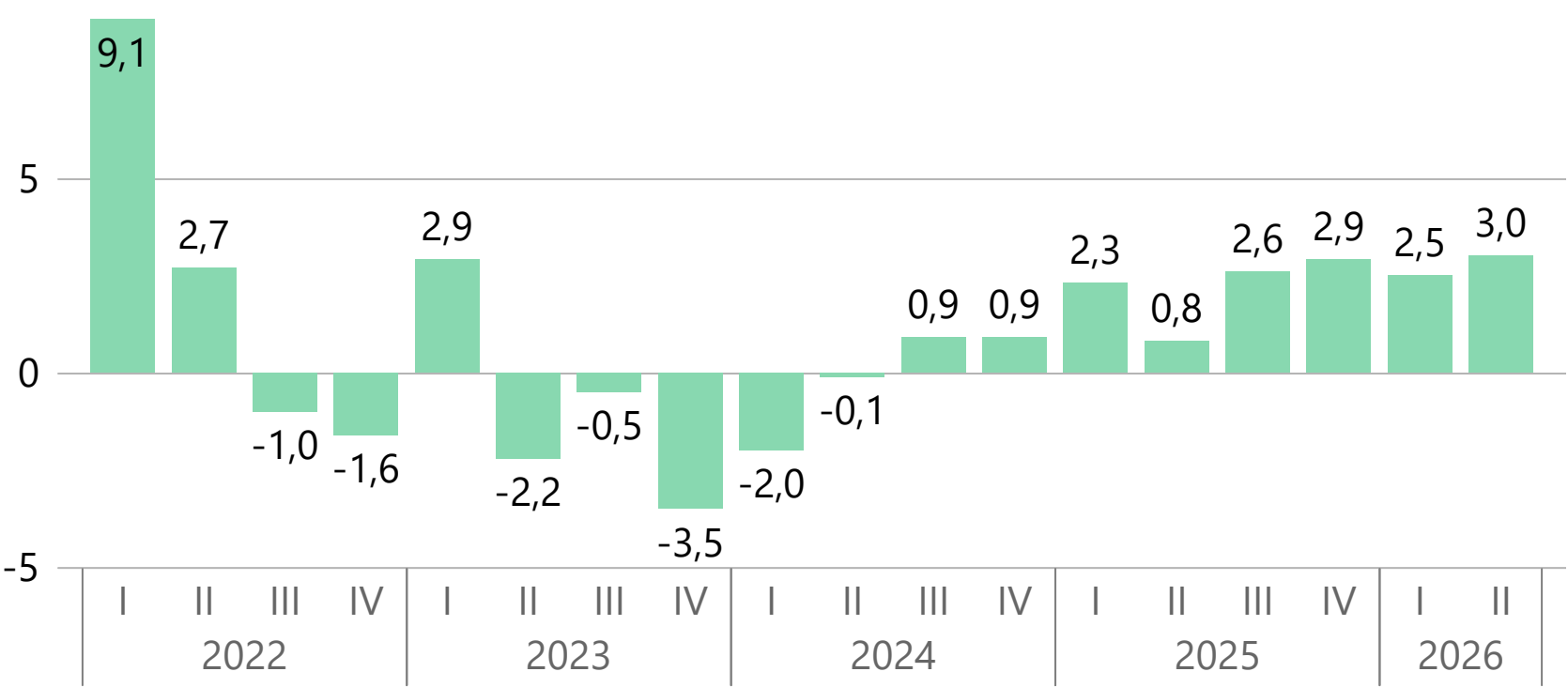
MACROECONOMIC AND BUDGETARY REVIEW

No 7/2026

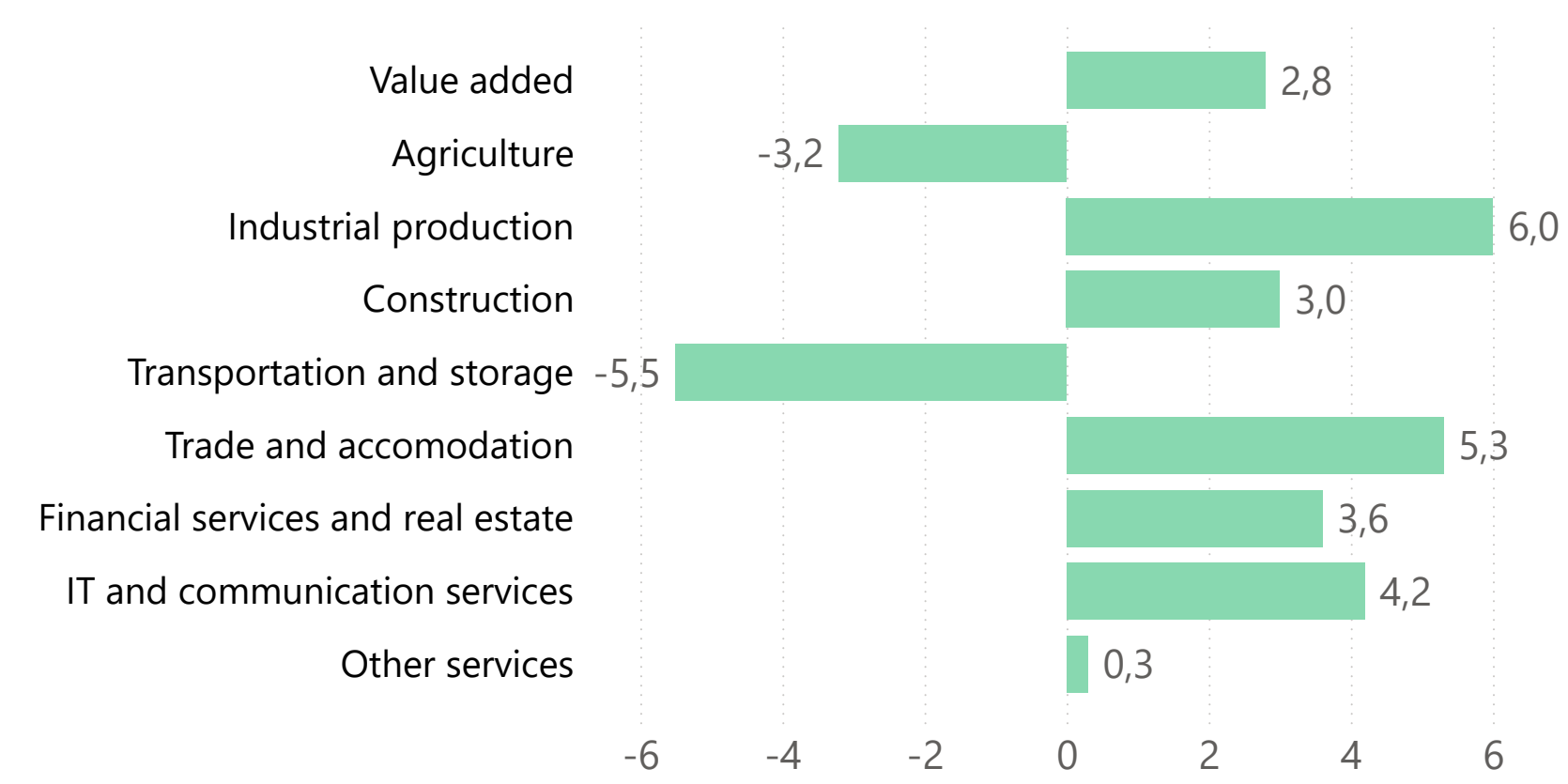
GROSS DOMESTIC PRODUCT (GDP)

GDP 2025	GDP forecast 2026
Current prices	Comparable prices
43 026 mln €	2.0%
CSB, 21.04.2026	MoF June 2026

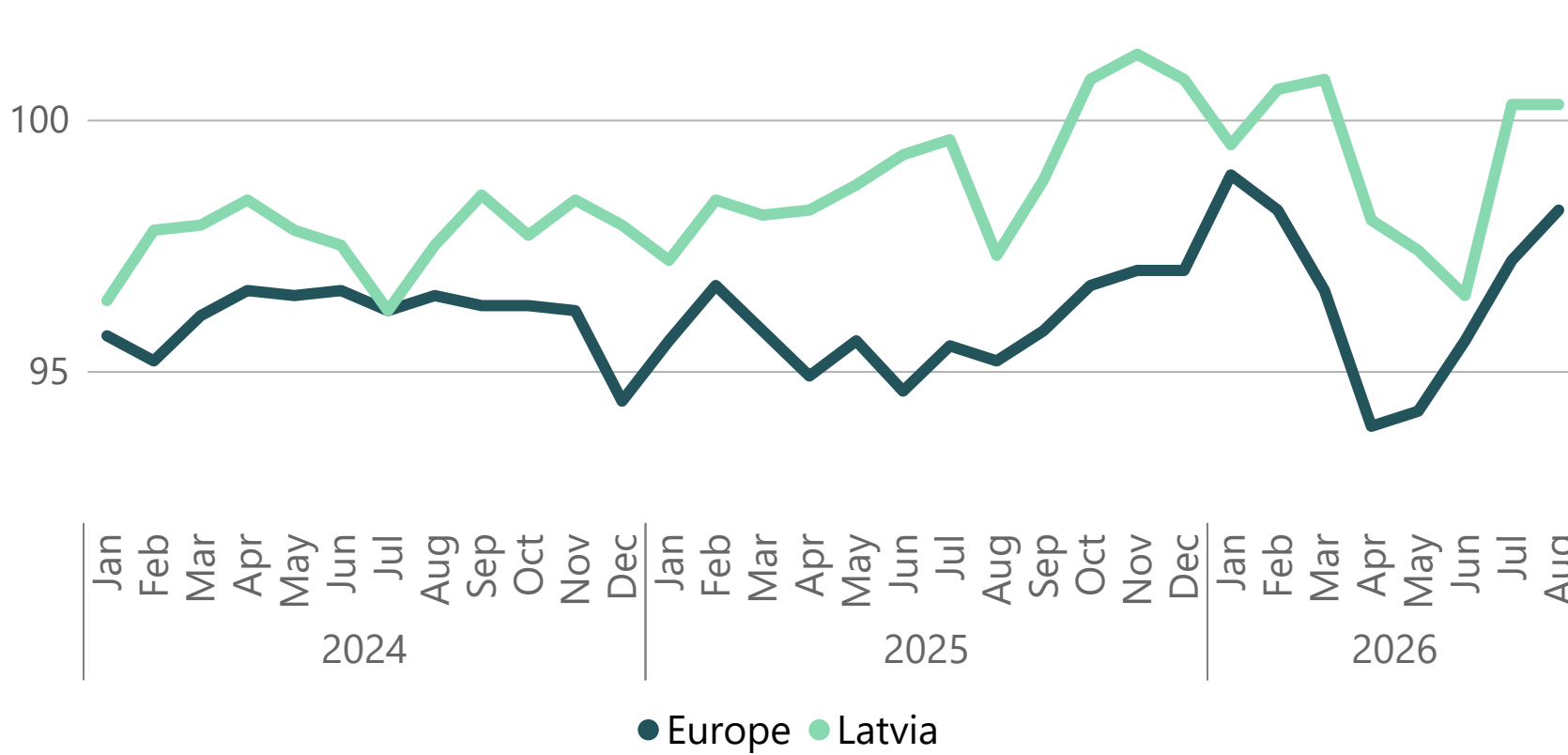
GDP growth, YoY%



GDP growth by sectoral breakdown
2026 1st half/2025 1st half



ESI Economic confidence

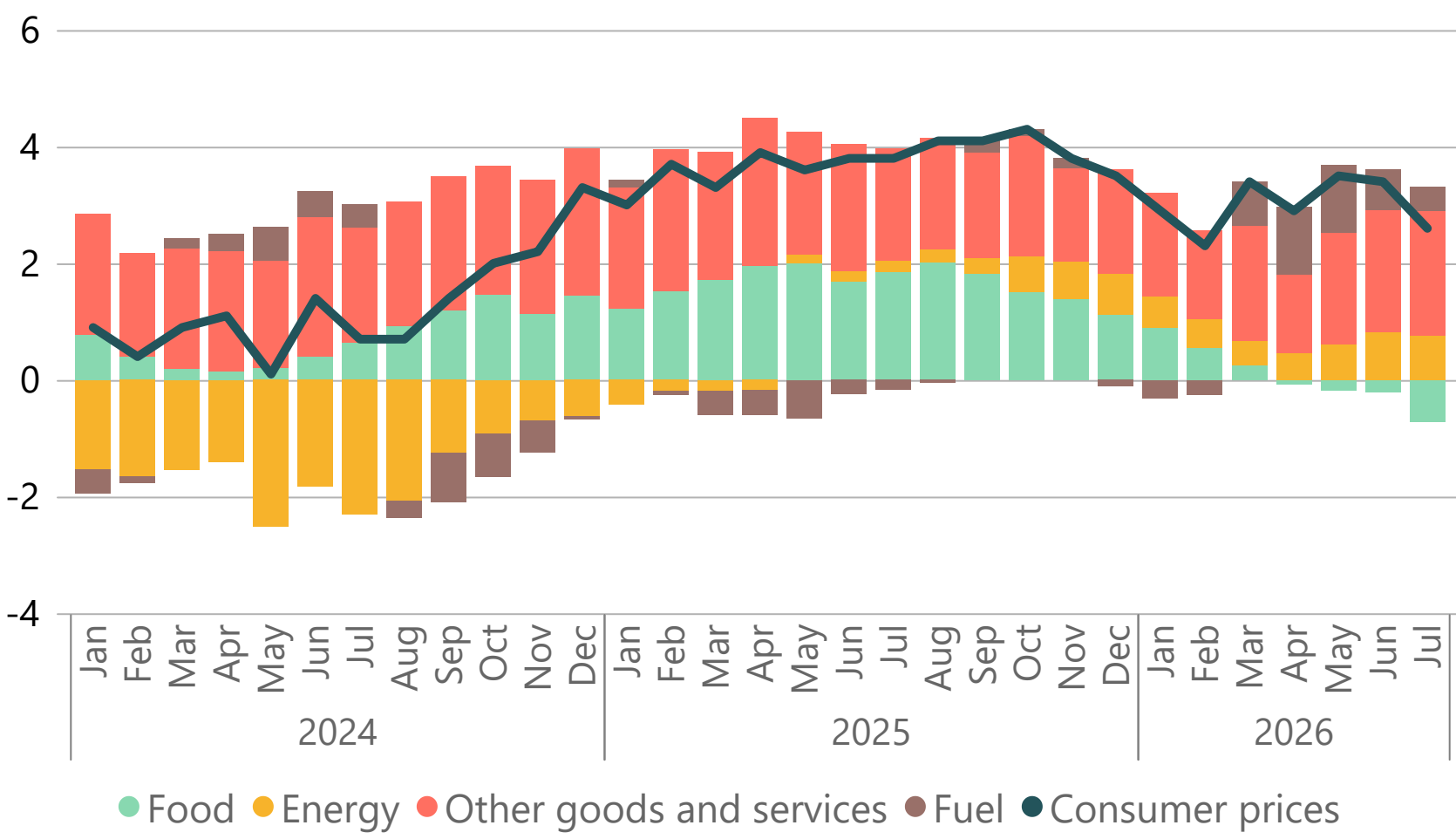


Source: European Commission; Central Statistical Bureau(CSB).

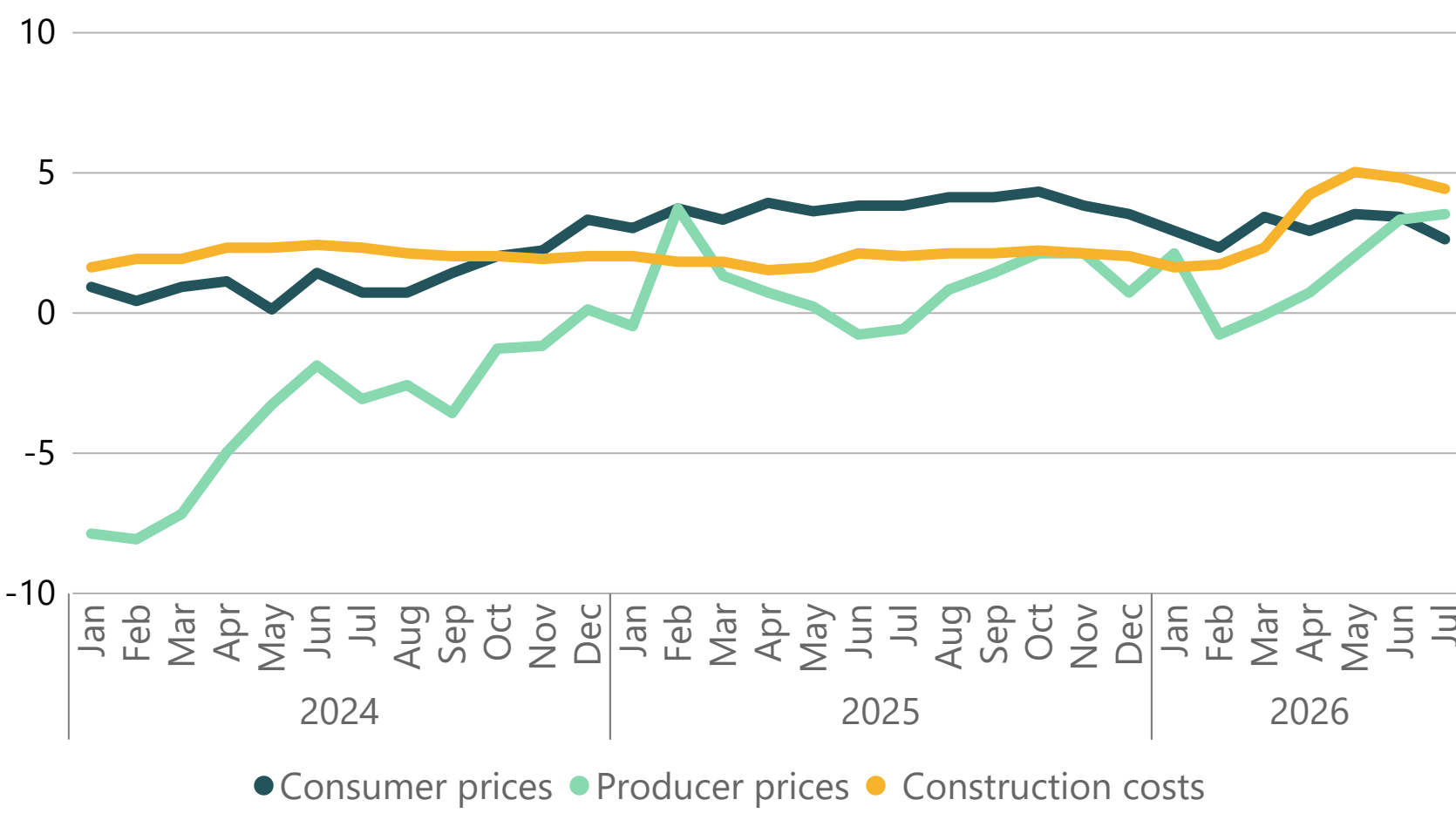
INFLATION

Consumer prices	Producer prices
3.4%	3.3%
July 2026	July 2026

Consumer prices, YoY%



Prices, YoY%



Source: CSB

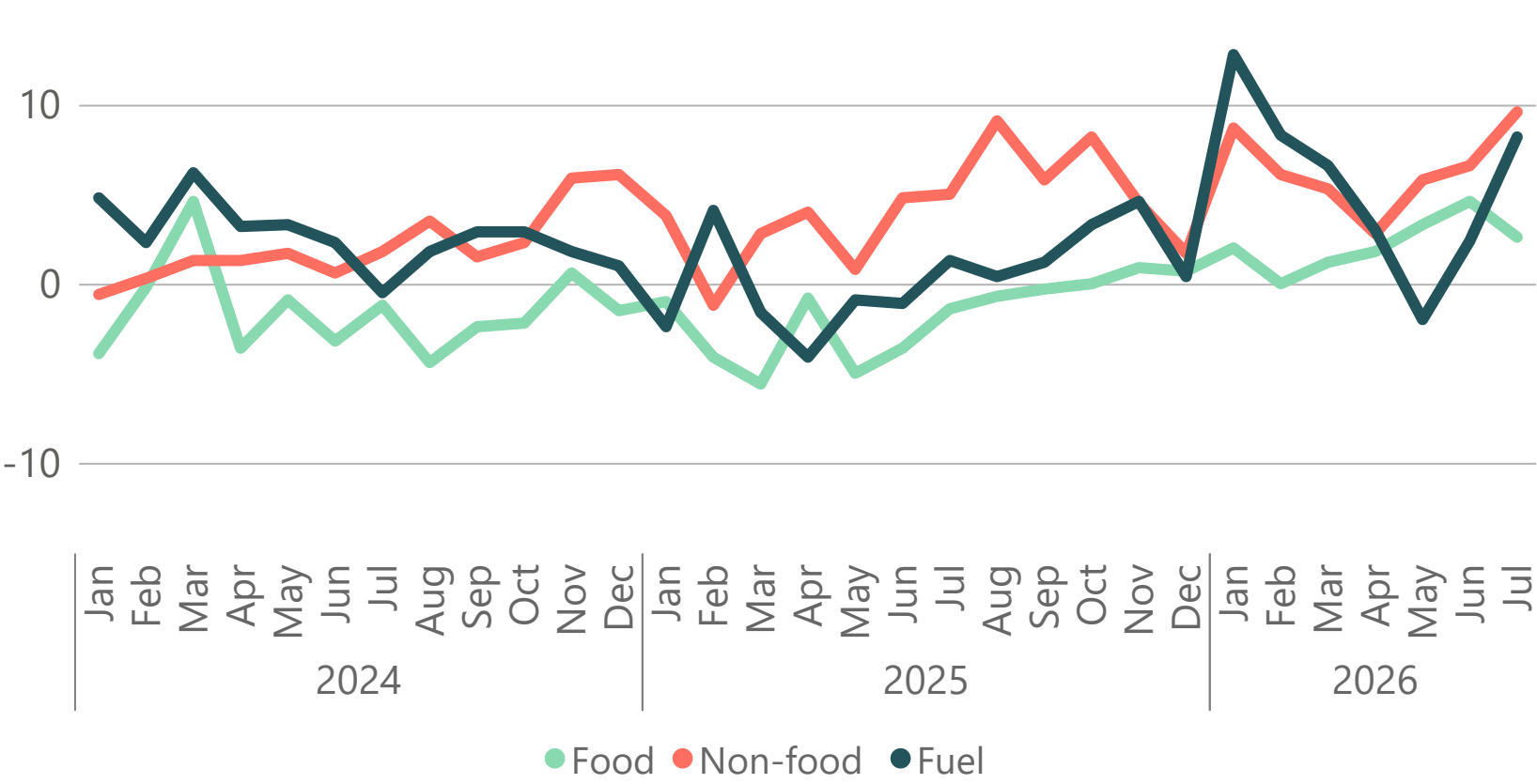
MAIN MACROECONOMIC INDICATORS

Indicator	2021	2022	2023	2024	2025	2026*	2027*	2028*	2029*	2030*
Nominal GDP, billions euro	32,3	36,1	39,6	40,7	43	45,5	48	50,6	53,3	56,2
Nominal GDP growth, %	10,5	11,8	9,6	2,8	5,8	5,8	5,4	5,4	5,4	5,4
Real GDP growth, %	6,9	1,9	-0,9	0	2,1	2	2	2,3	2,5	2,5
GDP deflator, % change	3,3	9,7	10,7	2,8	3,6	3,8	3,4	3	2,8	2,8
Consumer price index, % change	3,3	17,3	8,9	1,3	3,7	3,6	3,3	2,6	2,3	2,3
Average monthly gross wage, EUR	1277	1373	1537	1685	1815	1915	2020	2131	2248	2372
nominal growth, %	11,7	7,5	11,9	9,6	7,7	5,5	5,5	5,5	5,5	5,5
real growth, %	8,2	-8,4	2,8	8,3	3,8	1,8	2,1	2,8	3,1	3,1
Number of persons employed, thsd	864	886	884	877	883	883	880	878	873	869
growth, %	-3,2	2,6	-0,2	-0,8	0,6	0	-0,3	-0,3	-0,5	-0,5
Unemployment rate, %	7,6	6,9	6,5	6,9	6,9	6,6	6,3	6,1	6,1	5,9

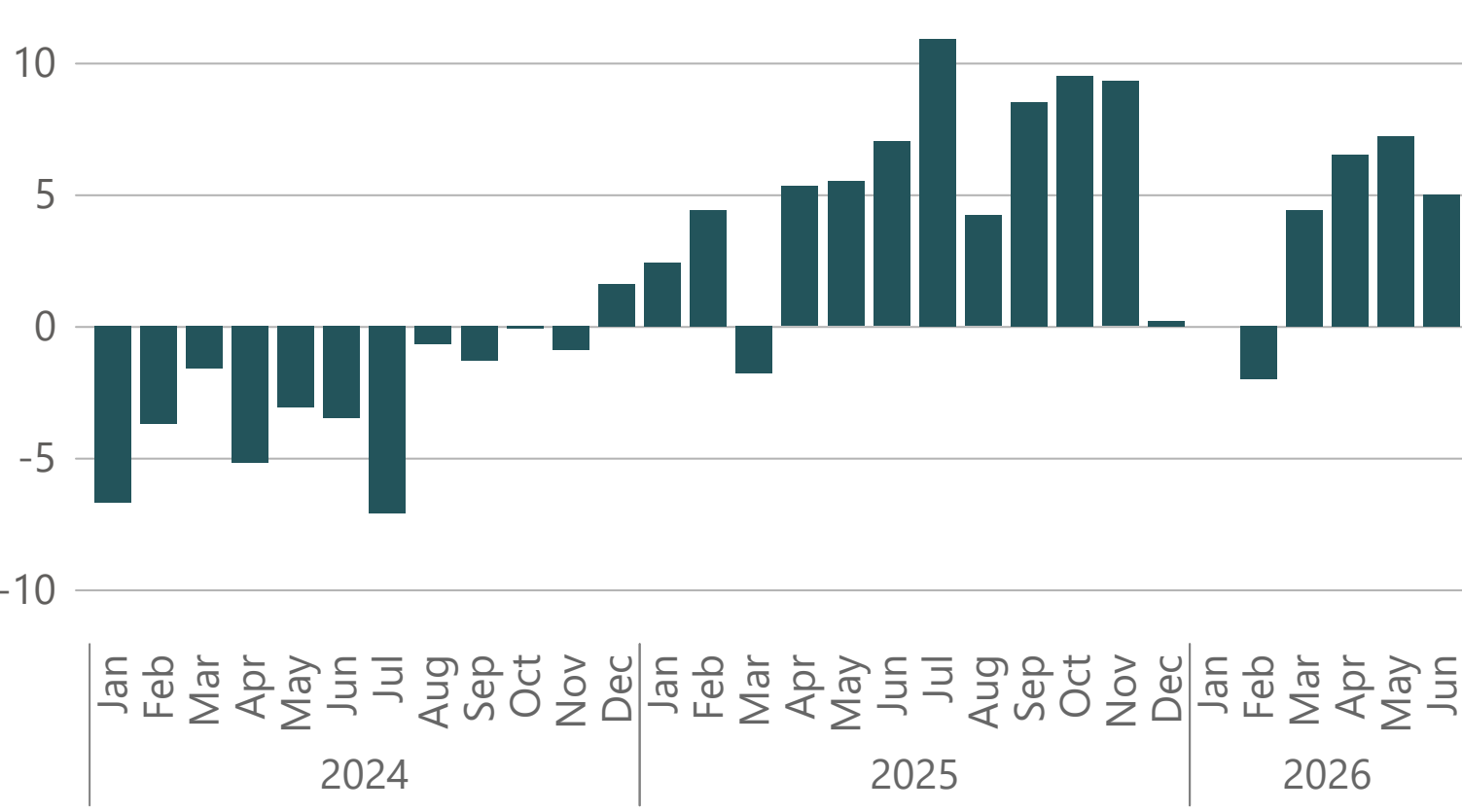
Source: CSB (21.04.2026), *forecasts of the Ministry of Finance of the Republic of Latvia (June 2026)

INDUSTRIES

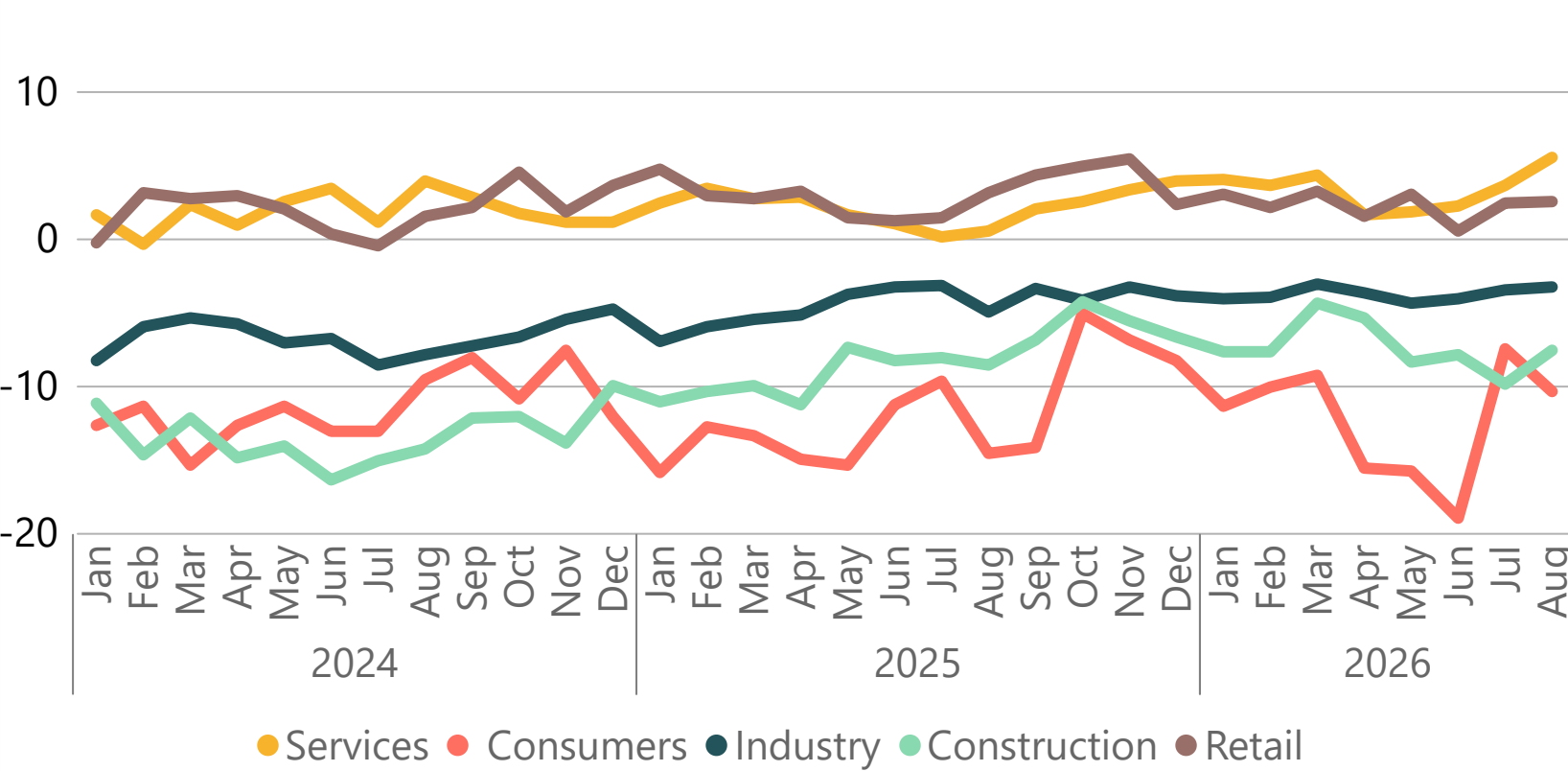
Retail trade growth, YoY%



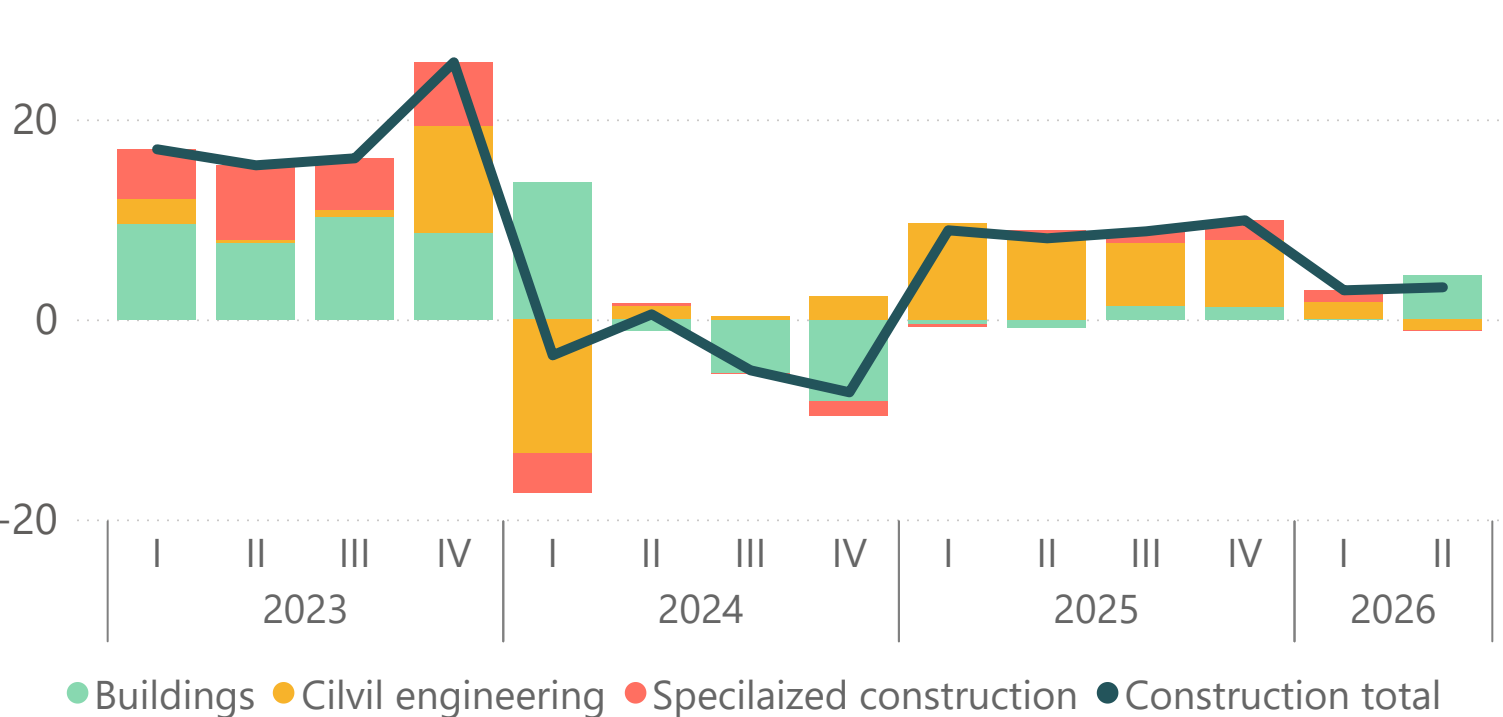
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY



Source: CSB, European Commission

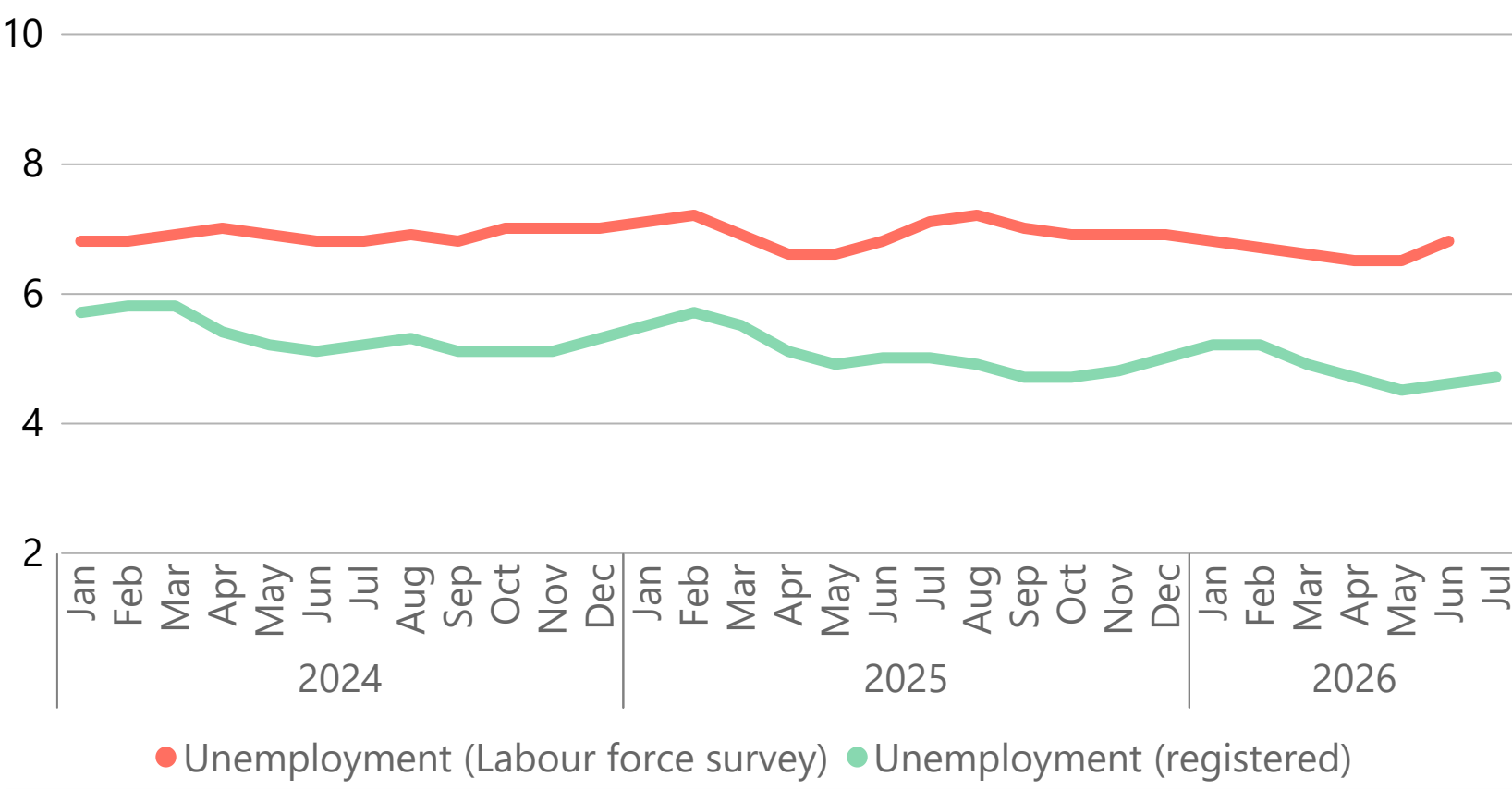
UNEMPLOYMENT

Registered unemployment	Number of registered unemployed YoY
4,6%	-5.0%
July 2026	July 2026

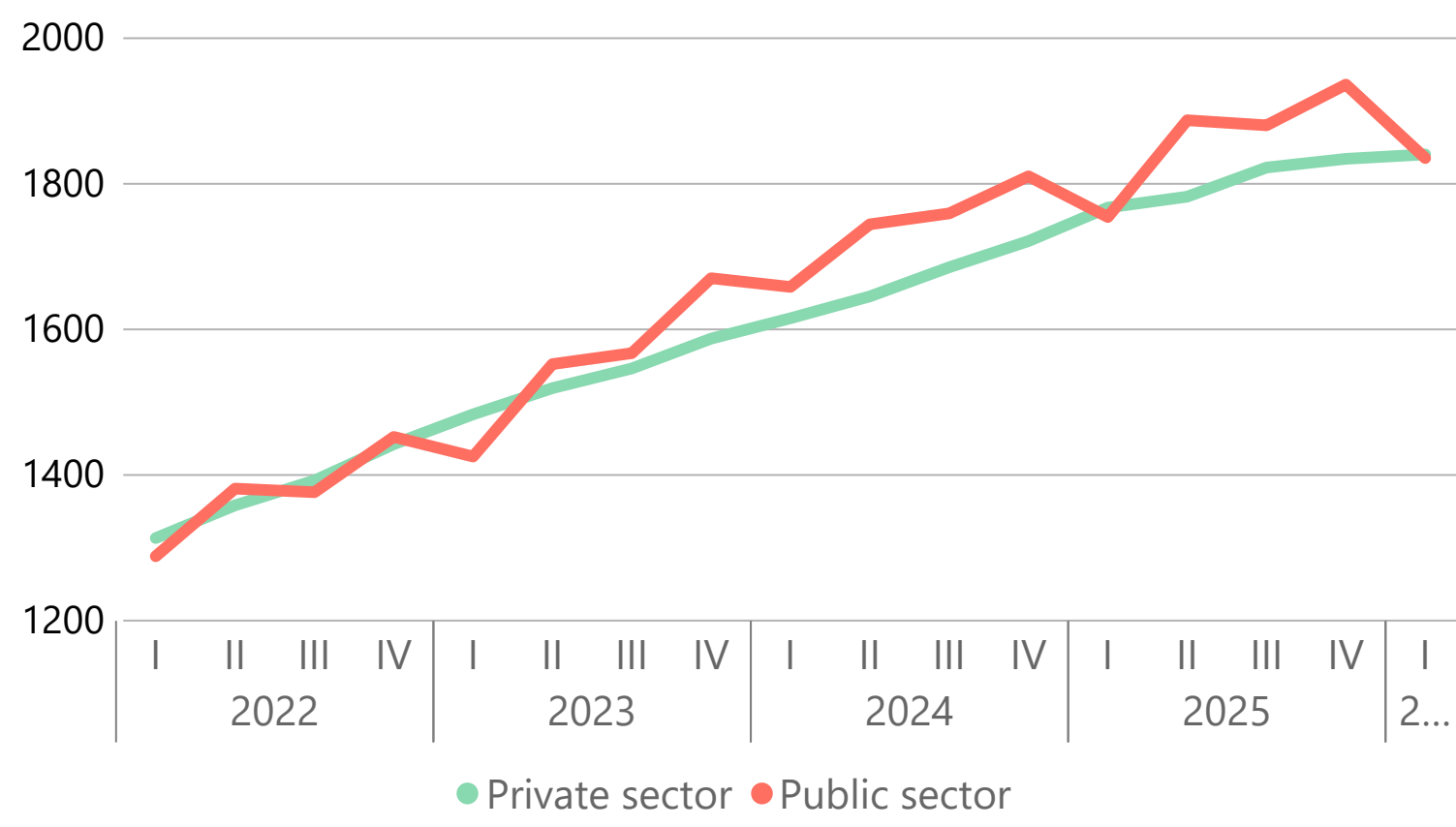
WAGE

Private sector	Public sector	Total
1 839€	1 834€	1 831€
(+4.1% YoY)	(+4.6% YoY)	(+4.2% YoY)
Q1 2026	Q1 2026	Q1 2026

Unemployment rate, %



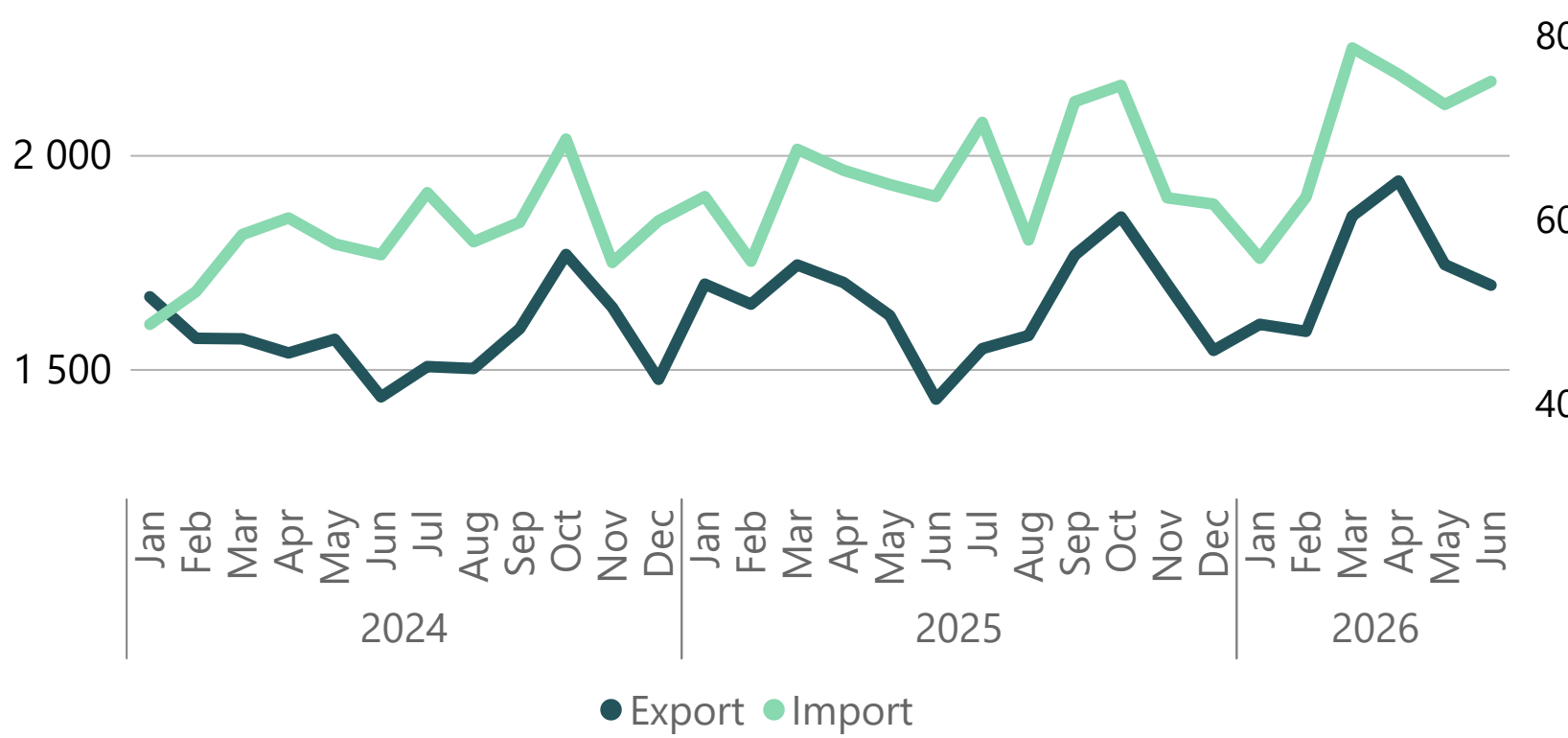
Average monthly gross wage, €



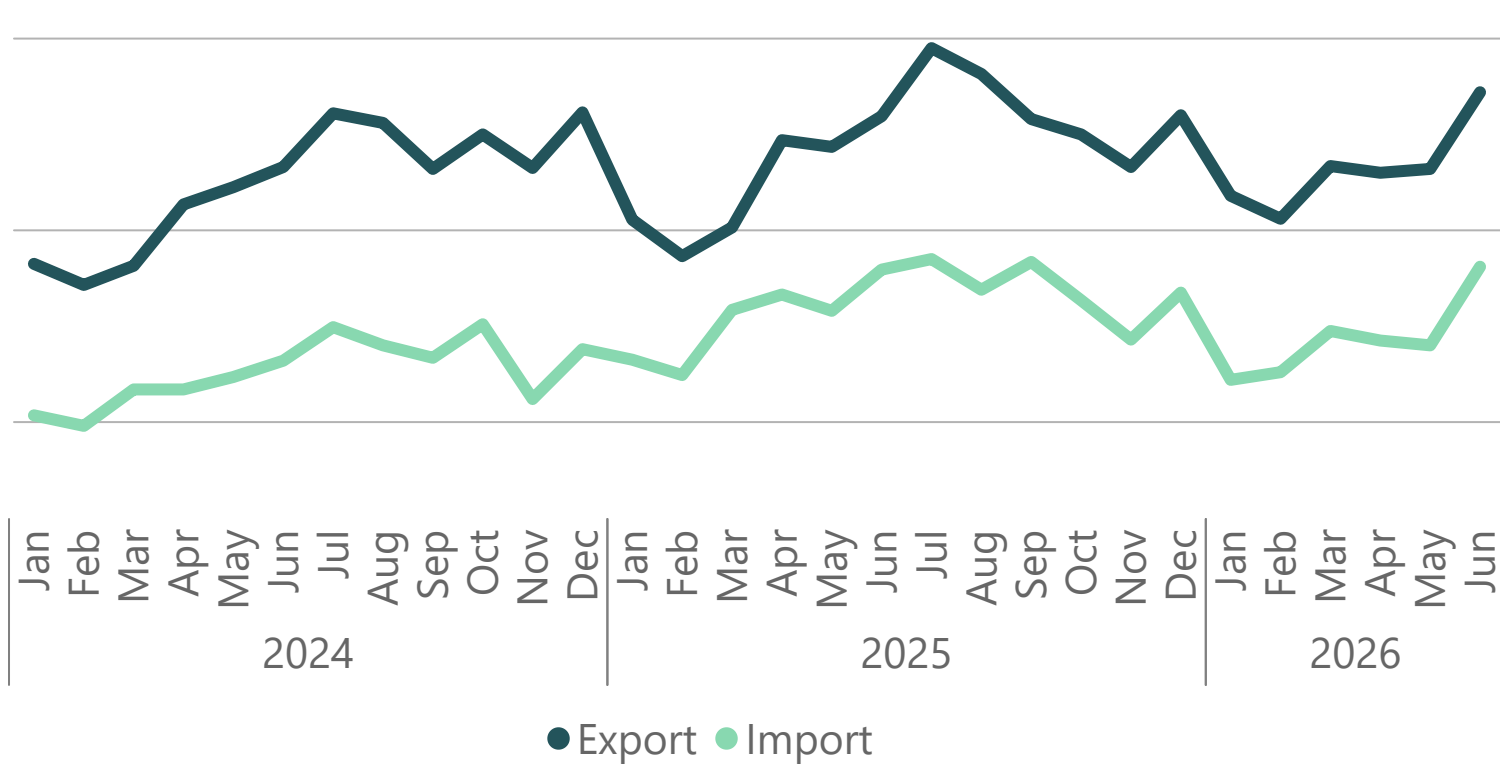
Source: CSB, State Employment Agency

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



Source: CSB; Bank of Latvia

GENERAL GOVERNMENT BUDGET

General government budget balance 2026

-2.9% of GDP

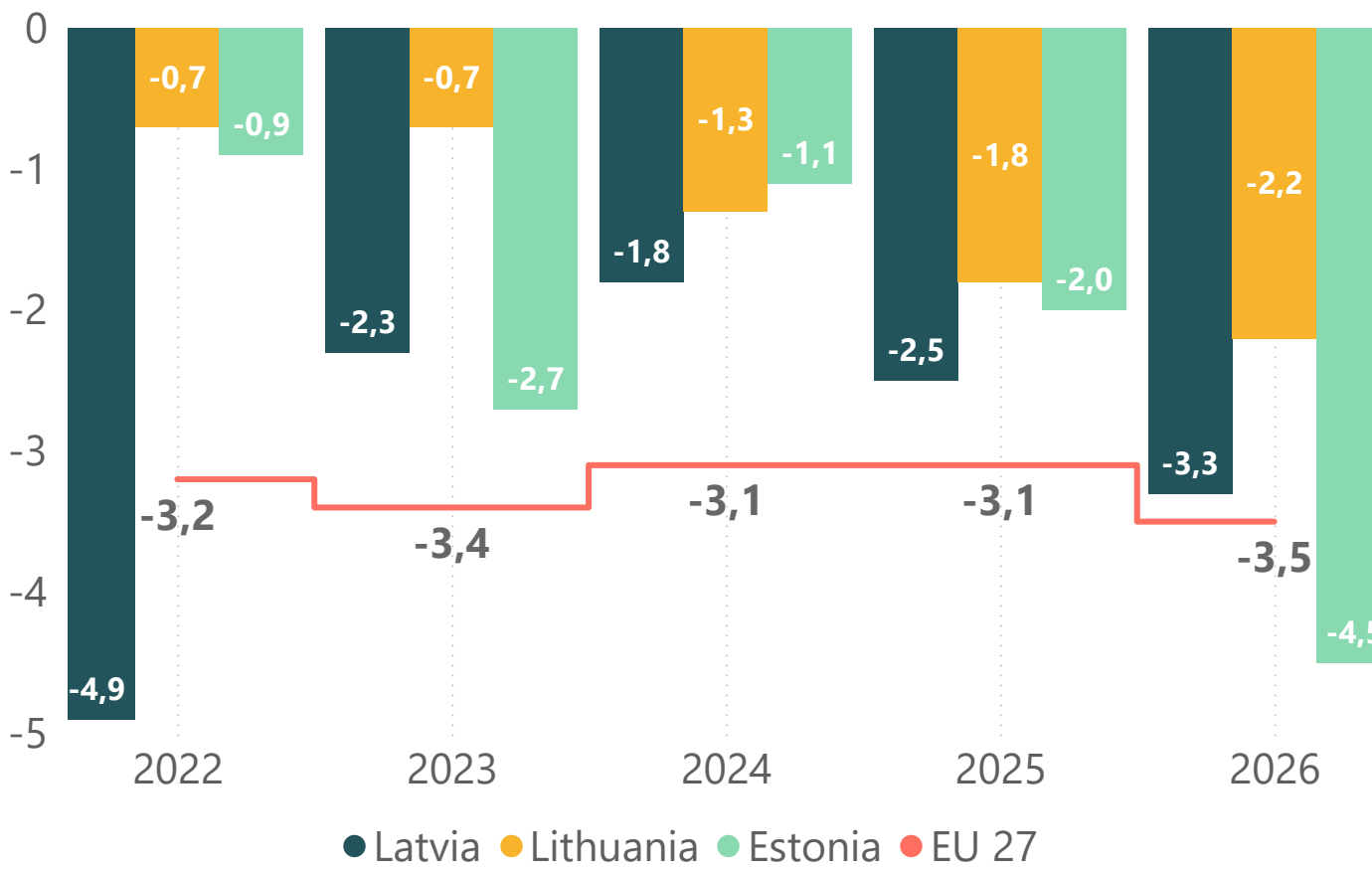
Assessment MoF, June 2026

General government debt 2026

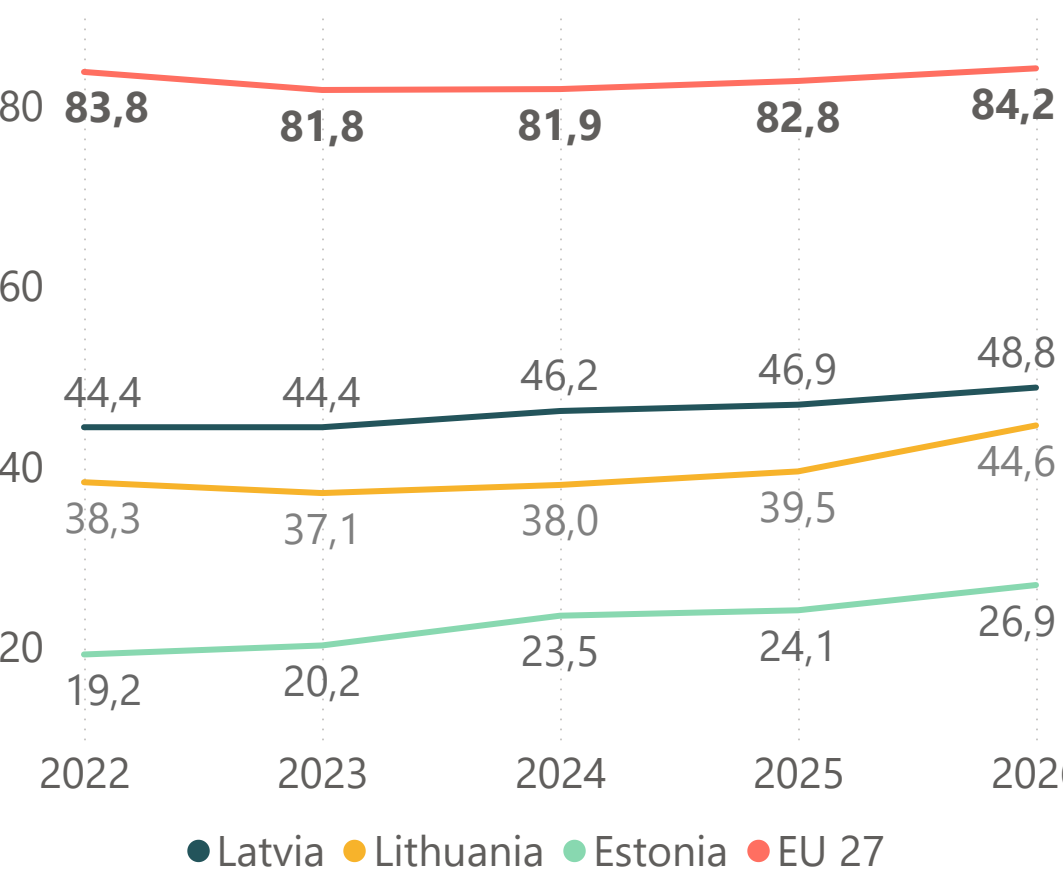
47.9% of GDP

Assessment Treasury, June 2026

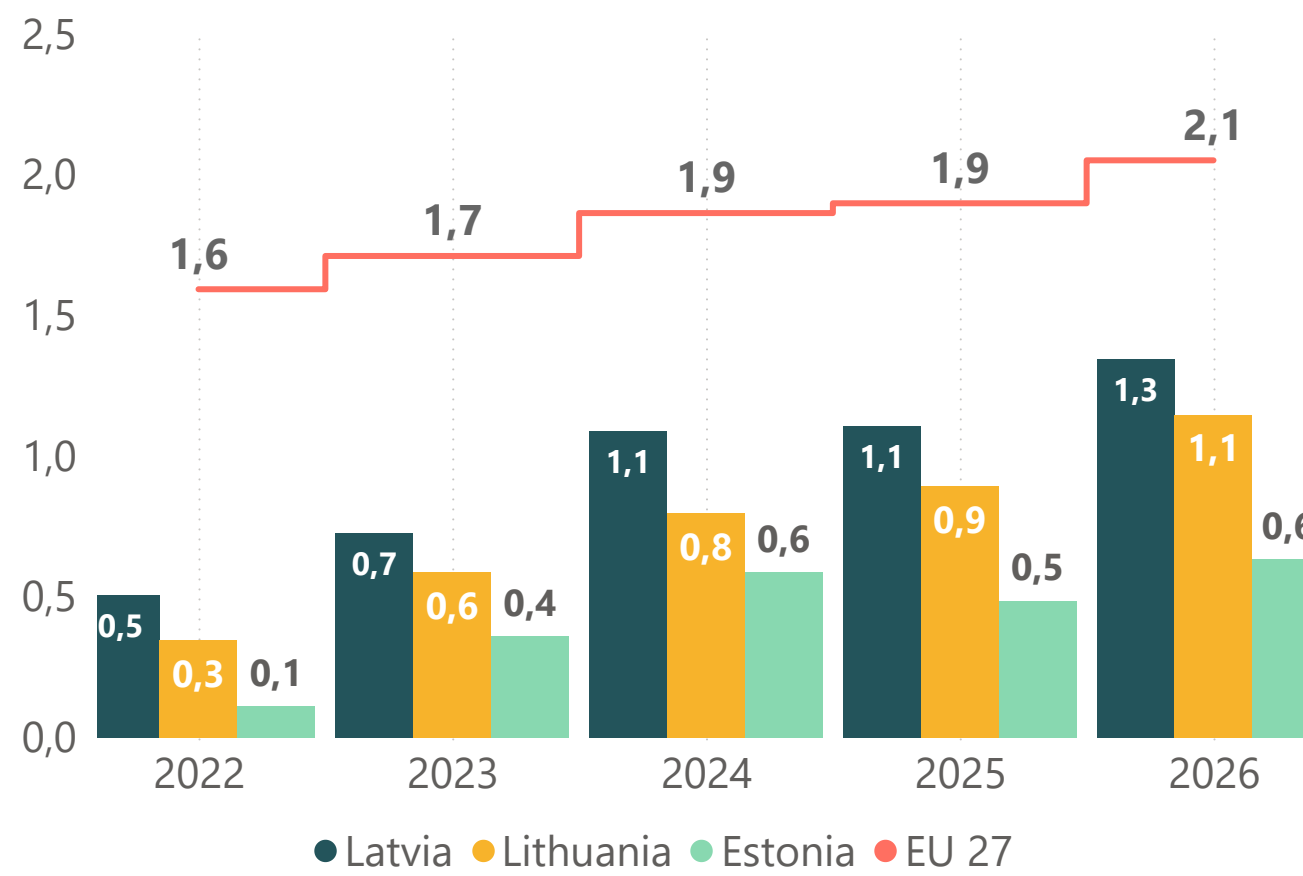
General government budget balance, % of GDP



General government debt, % of GDP



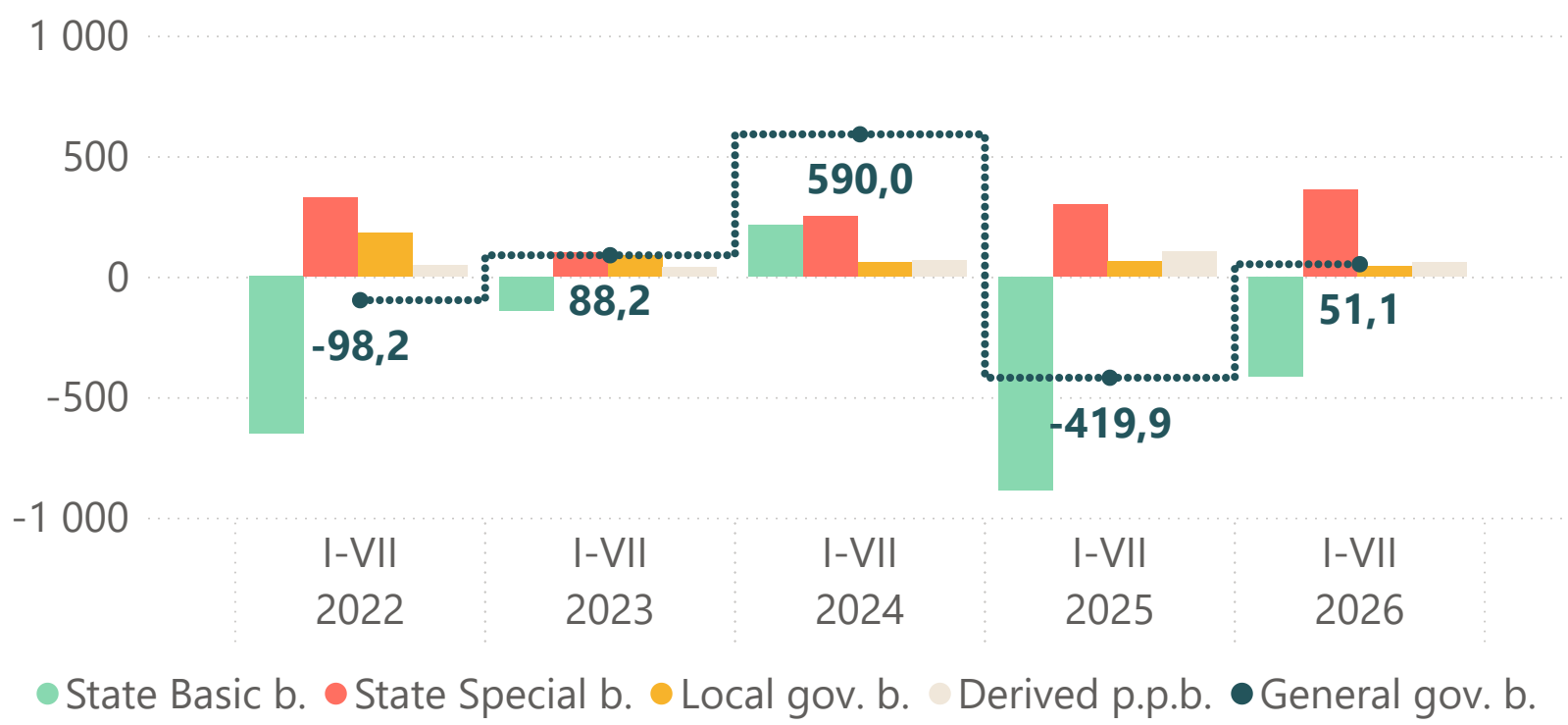
Interest expenditure (D.41), % of GDP



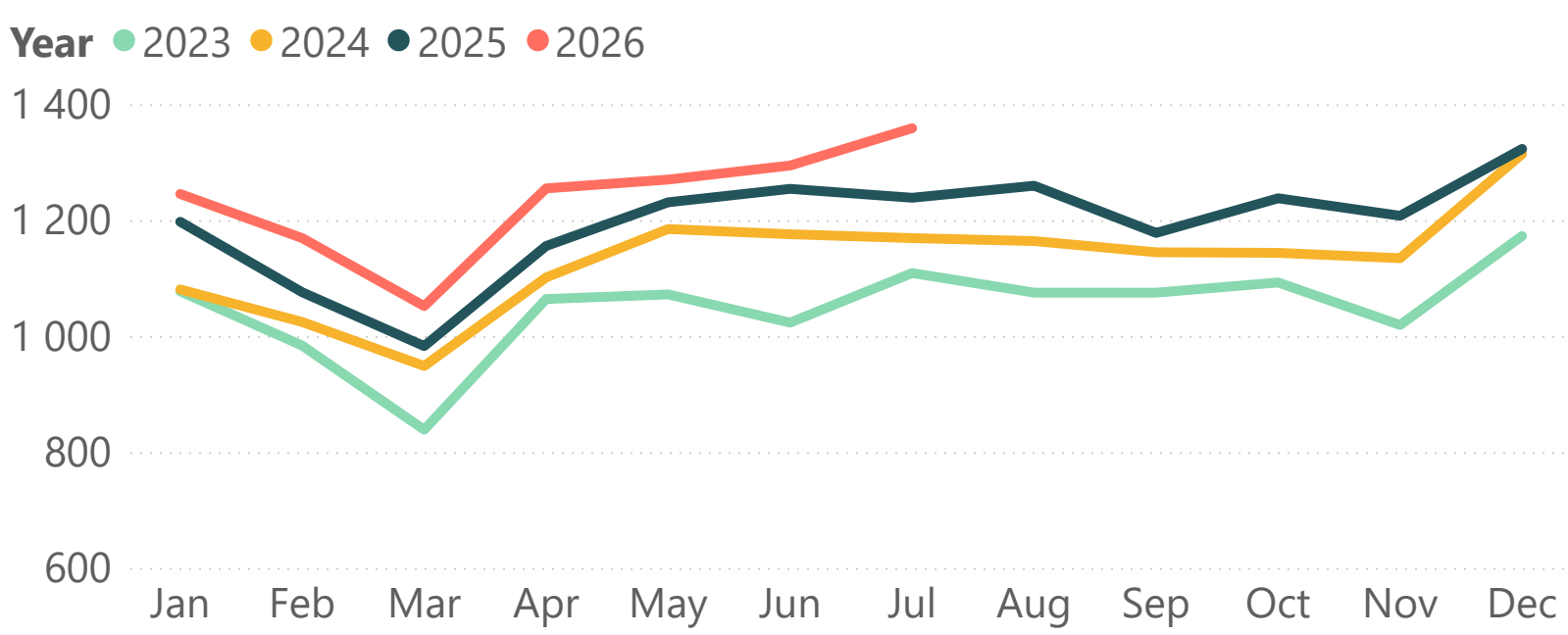
Source: Eurostat (2022-2025), European Commission (AMECO) spring forecast 2026

GENERAL GOVERNMENT BUDGET IN JANUARY-JULY 2026 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	11 422,1	1 068,0	10,3%
Expenditure	11 371,0	597,0	5,5%
Balance	51,1	471,0	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	2 979,0	195,7	7,0%
VAT	2 433,6	178,8	7,9%
PIT	1 602,9	66,7	4,3%
EXCISE	735,4	25,2	3,6%
CIT	505,8	-42,6	-7,8%

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	8 642,9	509,1	6,3%
Non tax revenue	833,8	33,8	4,2%
Self-earned revenue	340,0	8,4	2,5%
Foreign financial assistance	1 604,6	517,0	47,5%
Expenditure			
Remuneration	2 543,8	79,0	3,2%
Goods and services	1 236,6	-15,6	-1,2%
Interest payments	400,8	47,3	13,4%
Subsidies and grants	2 382,0	51,2	2,2%
Social support	3 459,2	247,3	7,7%
Payments to EU budget	173,8	-59,4	-25,5%
Capital expenditure	1 100,4	213,2	24,0%

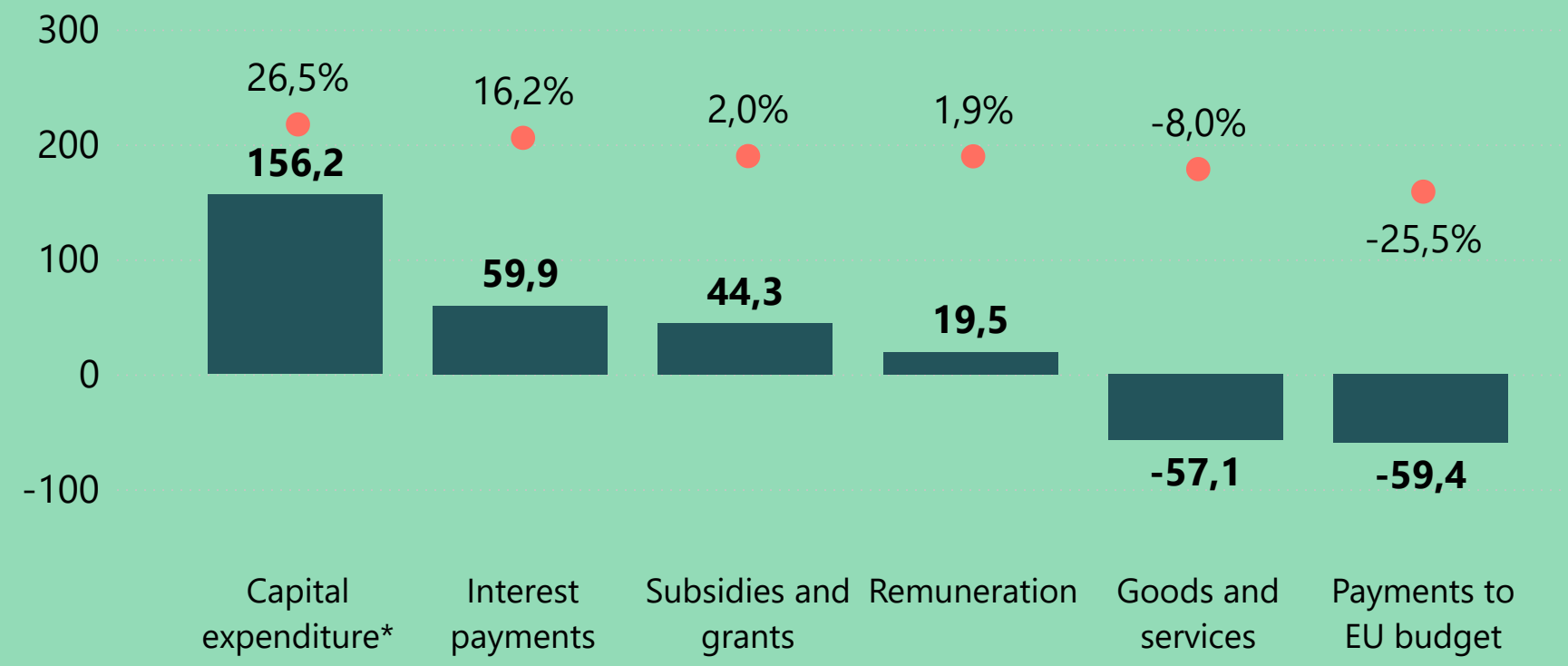
Source: State Treasury

Tax revenue in January-July 2026, including revenue in the single tax account (-33.2 mln €) and excluding SSC at the 2nd pension pillar (457.5 mln €).

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	6 764,3	729,8	12,1%
Expenditure	7 177,4	255,8	3,7%
Balance	-413,1	474,0	

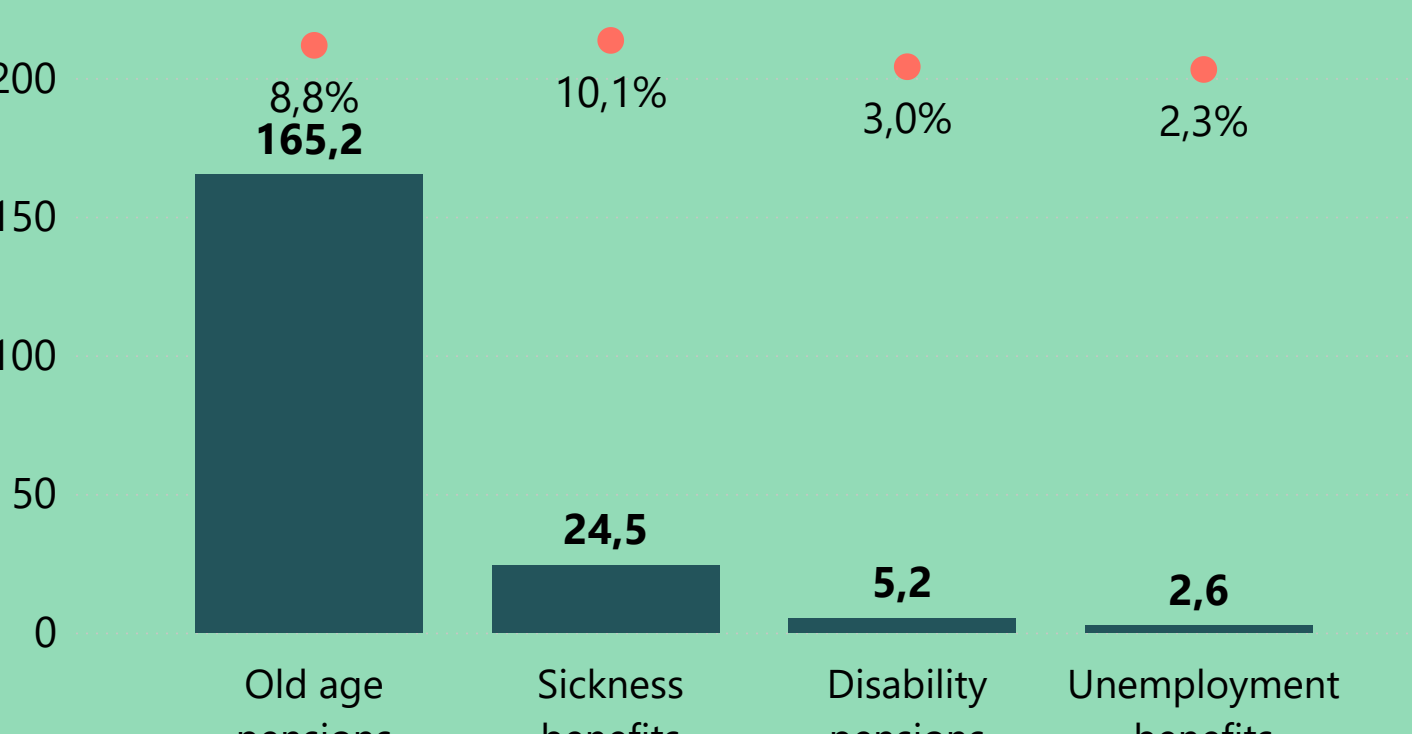
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 239,1	268,4	9,0%
Expenditure	2 878,6	207,1	7,8%
Balance	360,5	61,3	

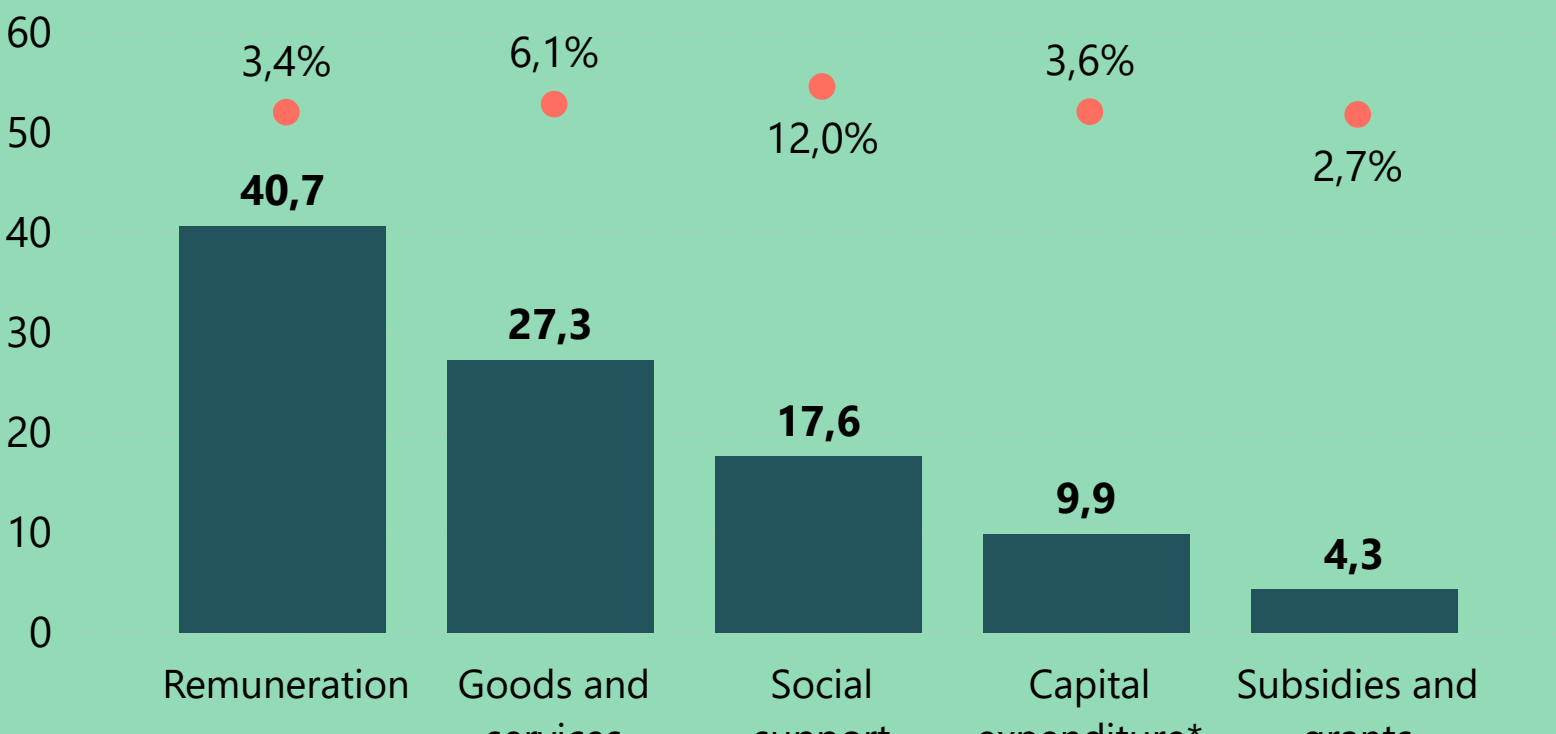
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 427,8	74,5	3,2%
Expenditure	2 384,8	93,1	4,1%
Balance	43,0	-18,6	

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

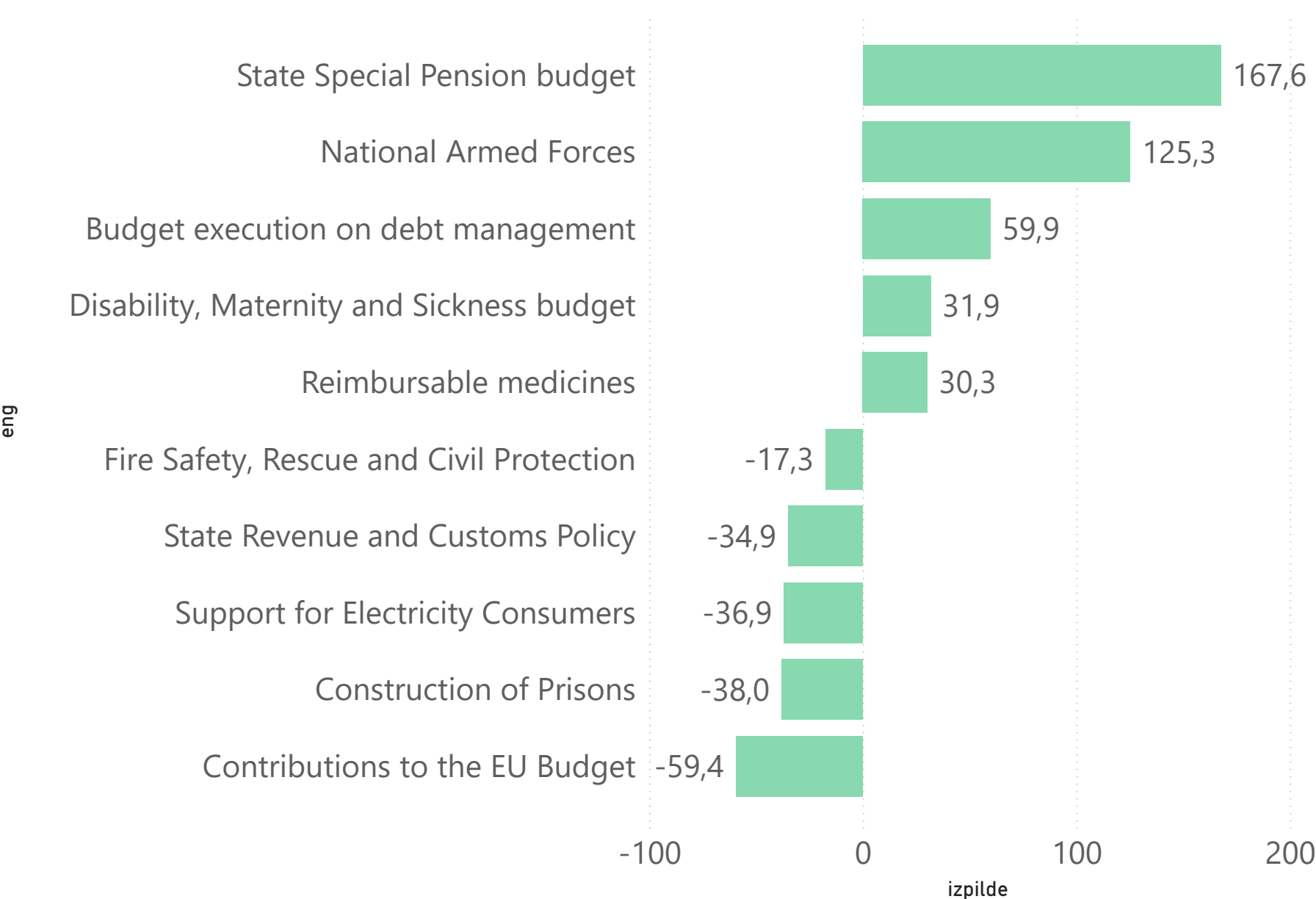


*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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 subprogramme against respective period year before, mln €



Source: State Treasury

SOCIAL SECURITY

Old-age pensions recipients

428 394
(+0.8% YoY)
July 2026

Old-age pensions average amount

673€
(+9.6% YoY)
July 2026

Unemployment benefit recipients

28 007
(-5.8% YoY)
July 2026

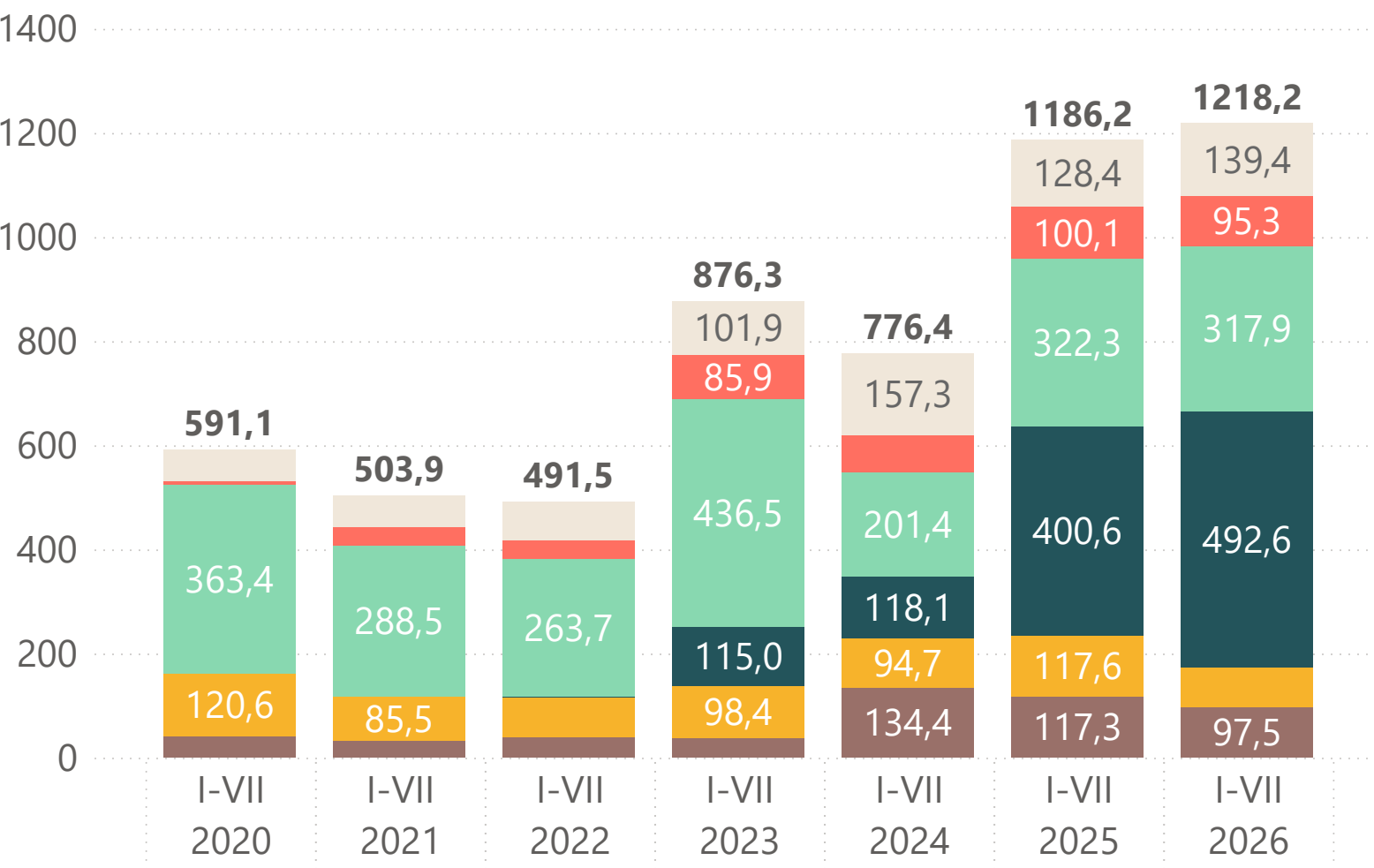
Unemployment benefit average amount

544€
(+10.3% YoY)
July 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