

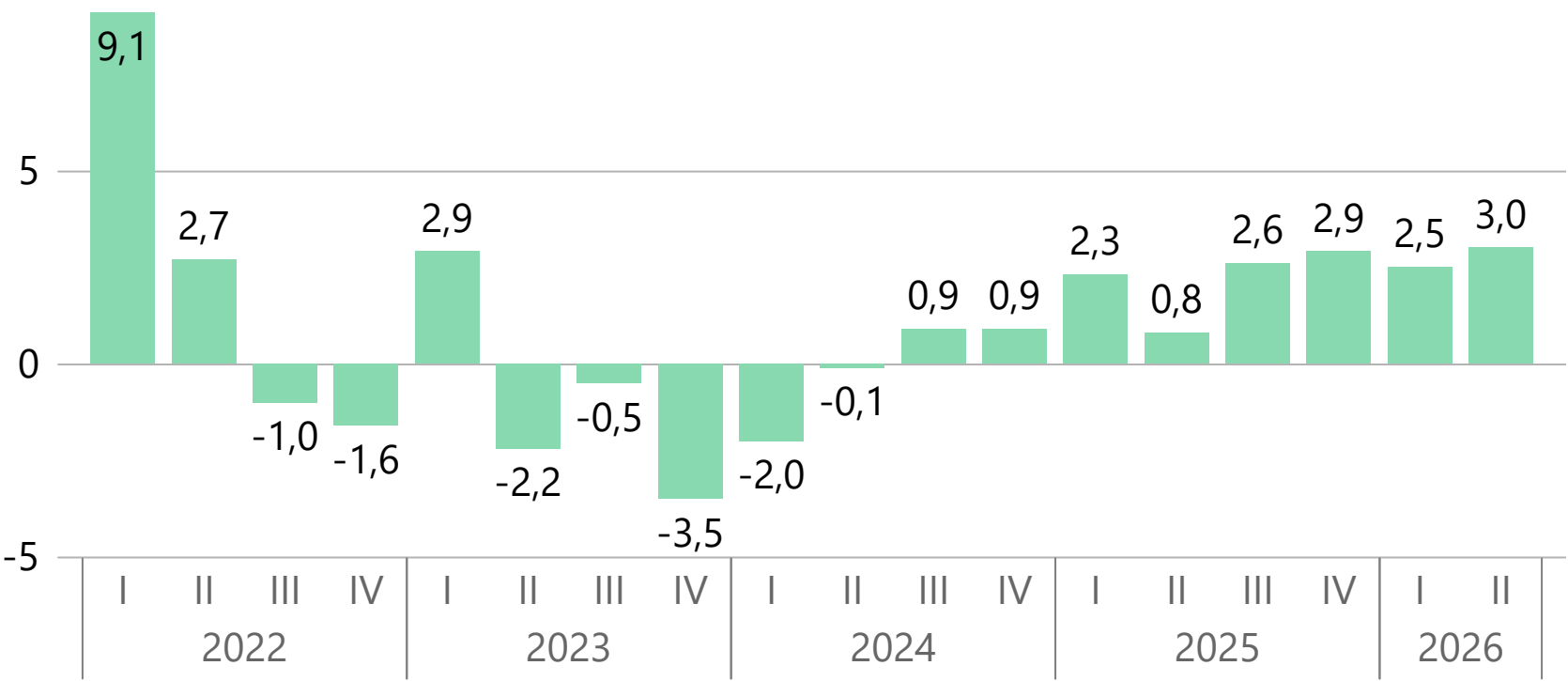
MACROECONOMIC AND BUDGETARY REVIEW

No 8/2026

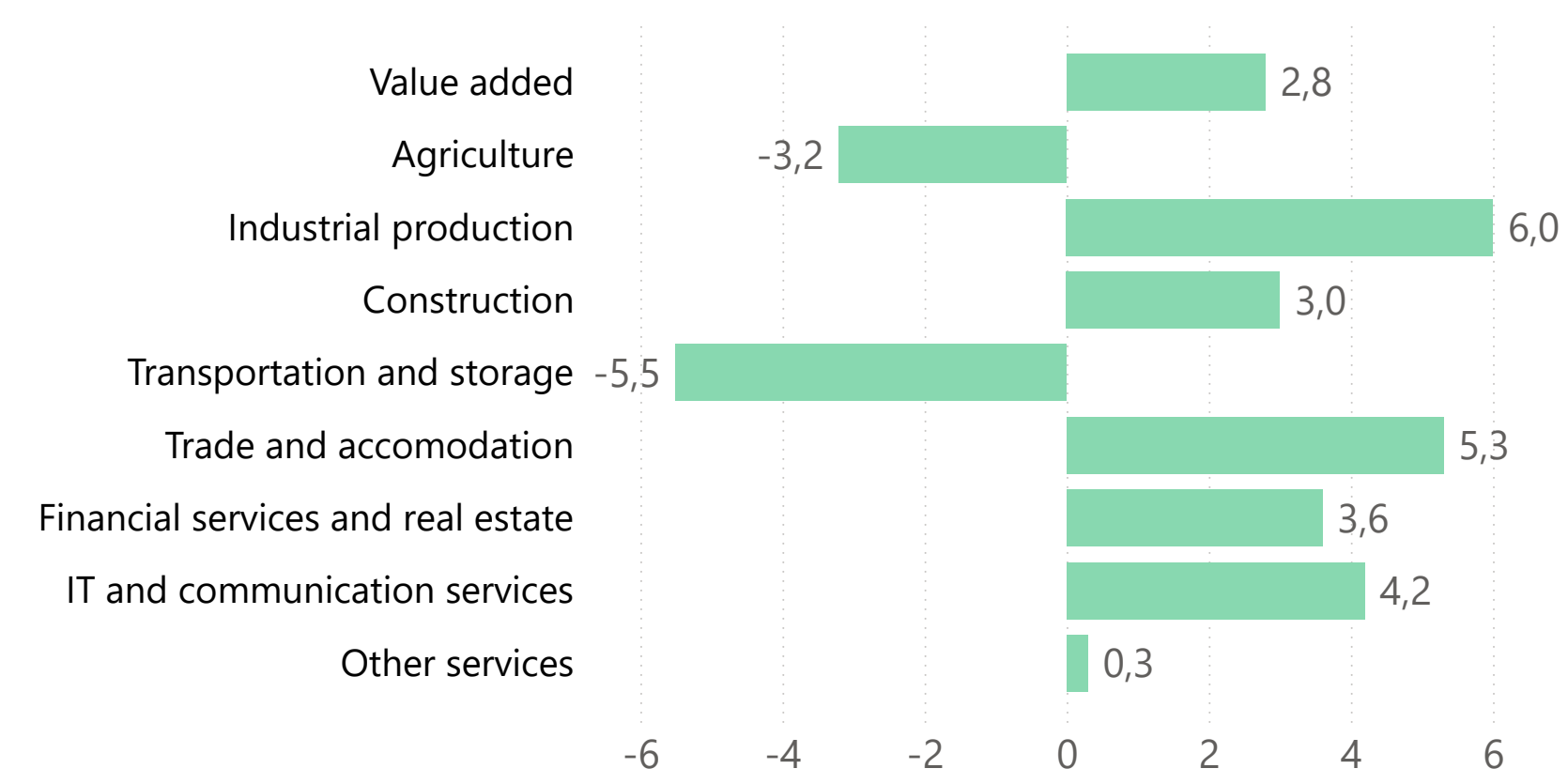
GROSS DOMESTIC PRODUCT (GDP)



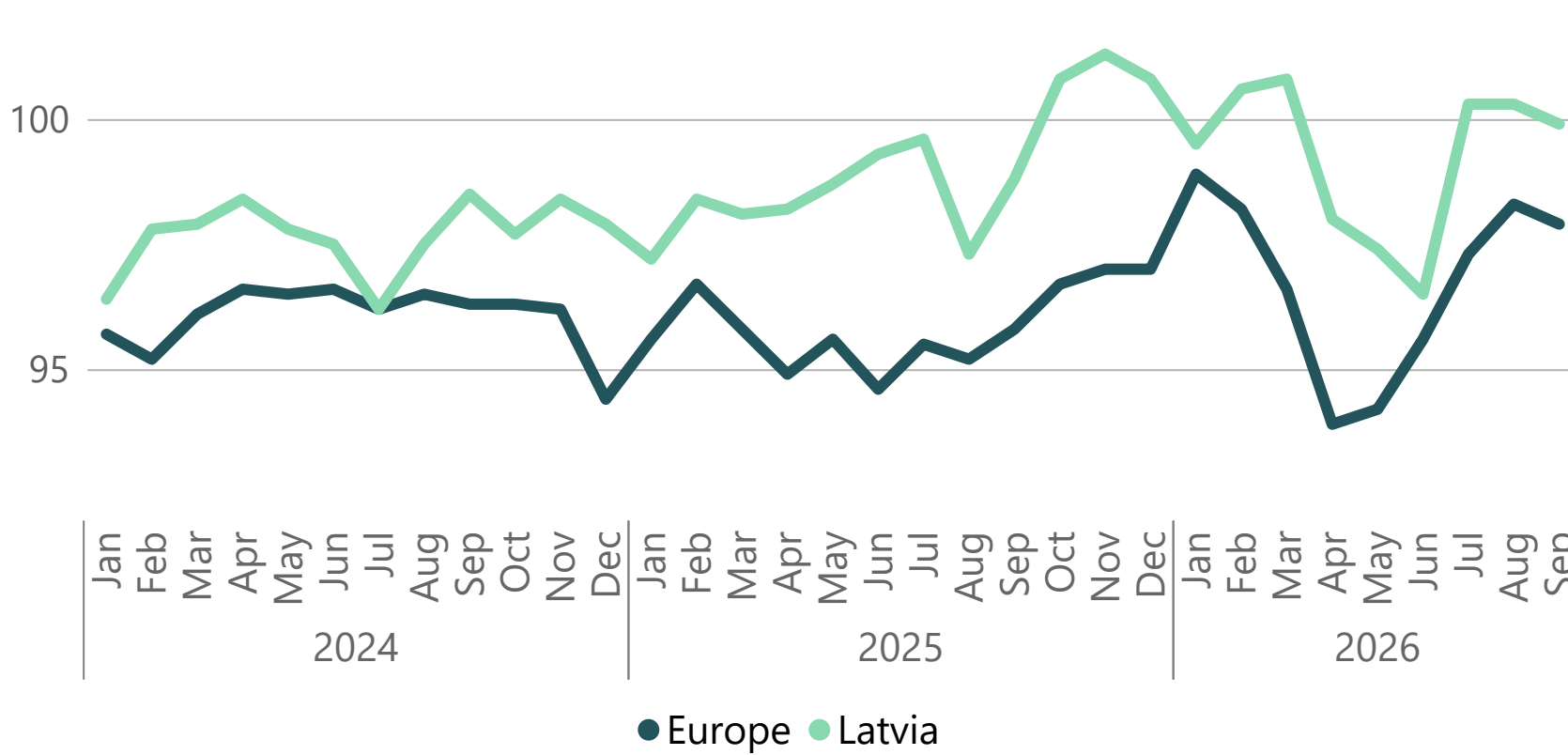
GDP growth, YoY%



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

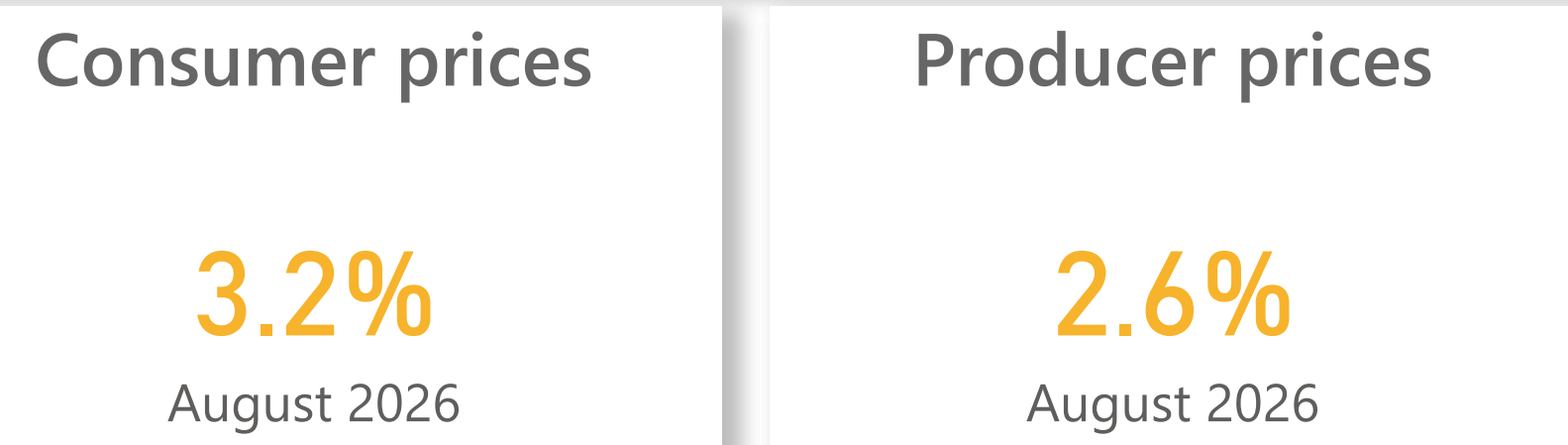


ESI Economic confidence

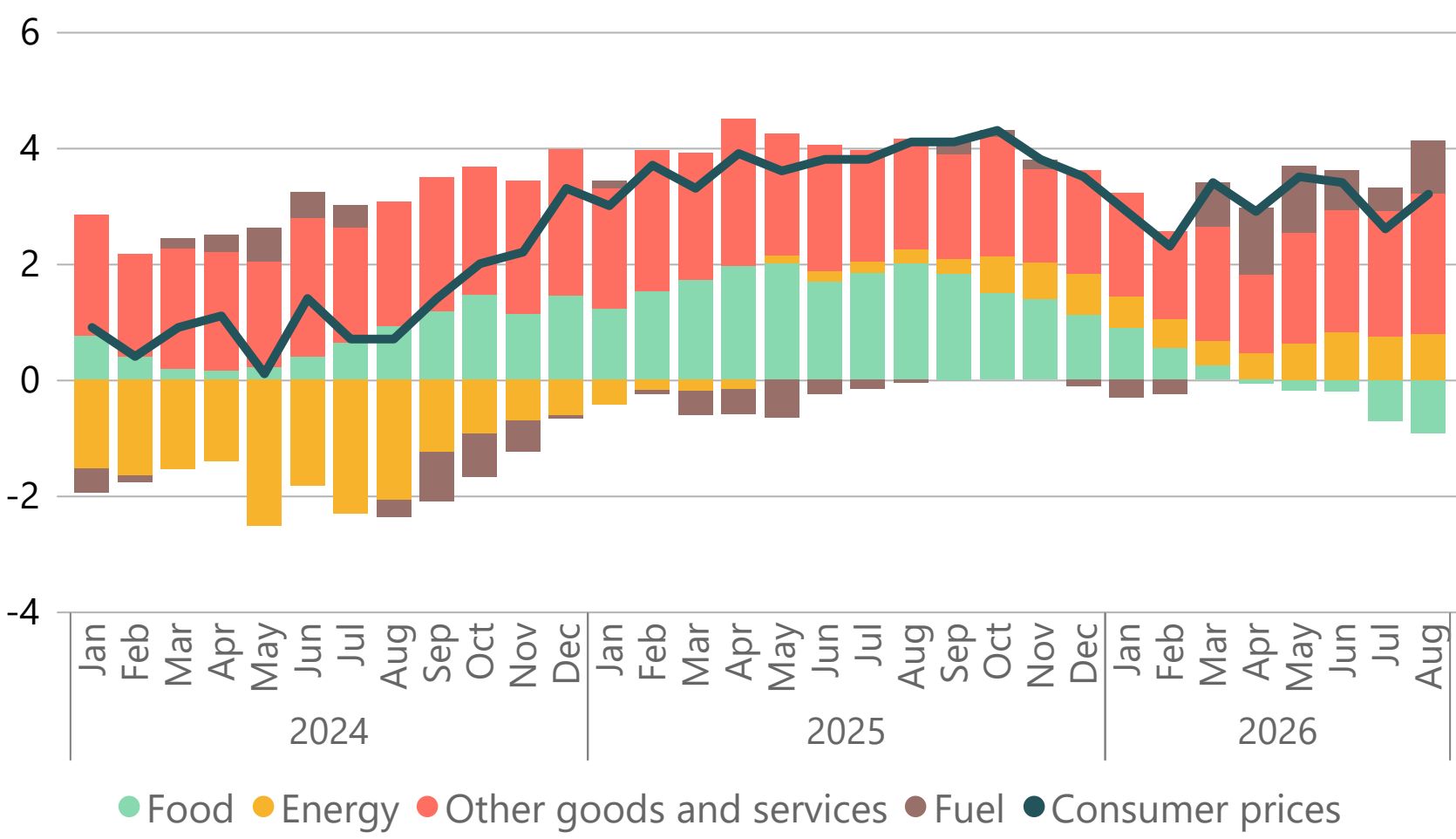


Source: European Commission; Central Statistical Bureau(CSB).

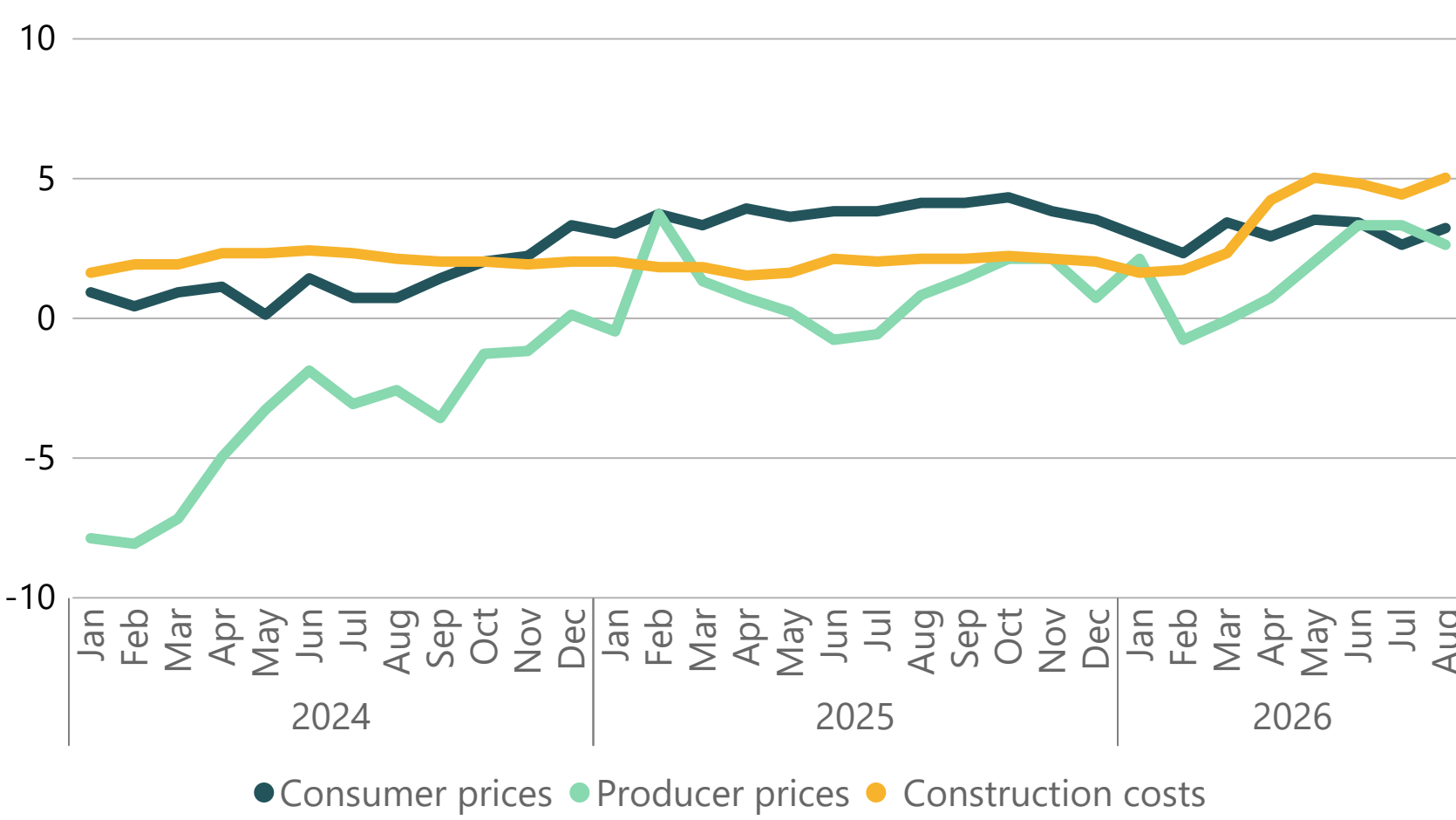
INFLATION



Consumer prices, YoY%



Prices, YoY%



Source: CSB

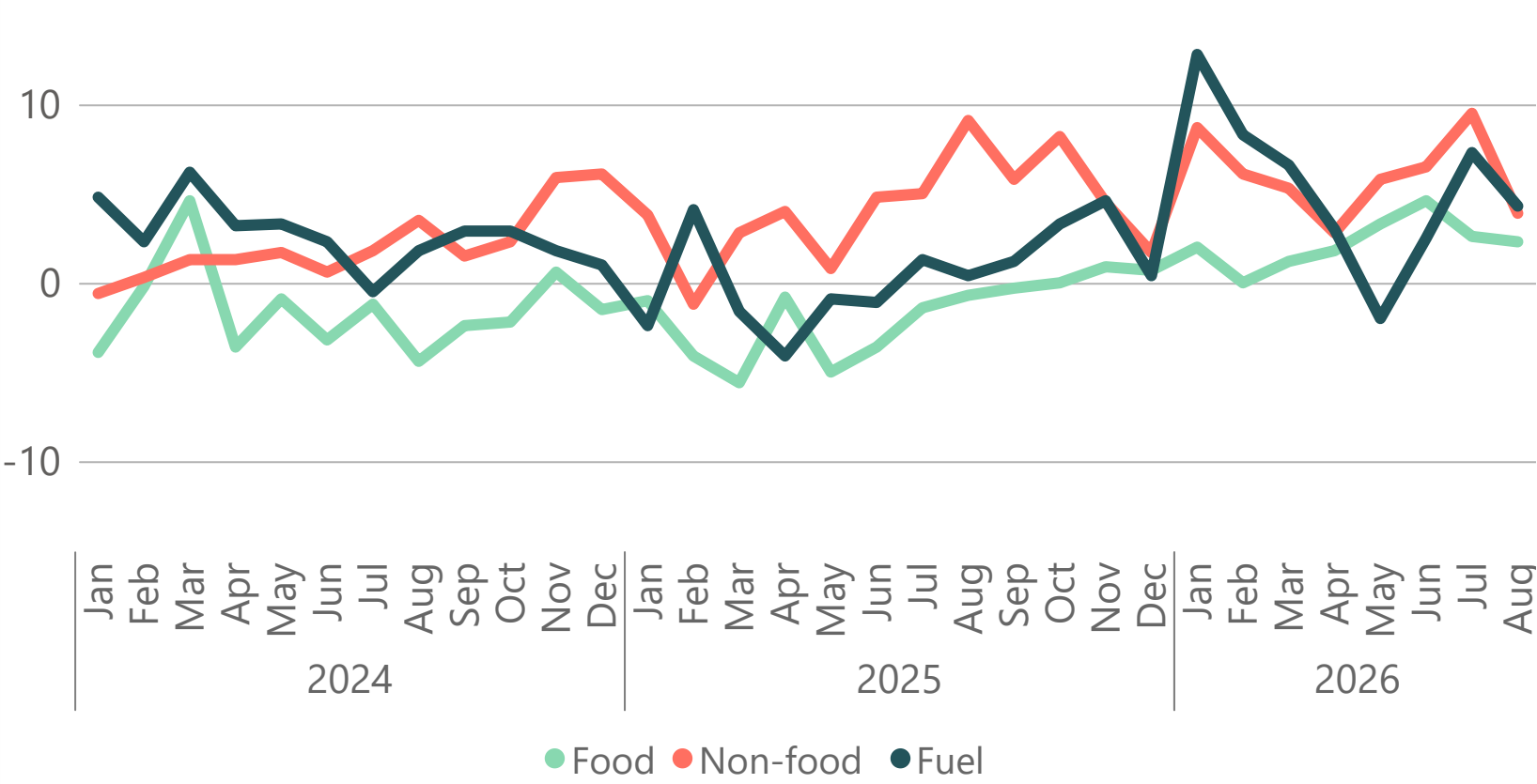
MAIN MACROECONOMIC INDICATORS

Indicator	2021	2022	2023	2024	2025	2026*	2027*	2028*	2029*	2030*
Nominal GDP, billions euro	32,3	36,1	39,6	41,7	43	45,7	48,3	50,8	53,4	56,2
Nominal GDP growth, %	10,5	11,8	9,6	2,8	5,8	6,2	5,7	5,2	5,1	5,3
Real GDP growth, %	6,9	1,9	-0,9	0	2,1	2,4	1,9	2	2,3	2,4
GDP deflator, % change	3,3	9,7	10,7	2,8	3,6	3,7	3,8	3,2	2,7	2,8
Consumer price index, % change	3,3	17,3	8,9	1,3	3,7	3,4	3,7	2,9	2,2	2,2
Average monthly gross wage, EUR	1277	1373	1537	1685	1815	1906	2011	2121	2238	2361
nominal growth, %	11,7	7,5	11,9	9,6	7,7	5	5,5	5,5	5,5	5,5
real growth, %	8,2	-8,4	2,8	8,3	3,8	1,6	1,7	2,5	3,2	3,2
Number of persons employed, thsd	864	886	884	877	883	883	881	879	875	871
growth, %	-3,2	2,6	-0,2	-0,8	0,6	0	-0,2	-0,3	-0,4	-0,5
Unemployment rate, %	7,6	6,9	6,5	6,9	6,9	6,8	6,5	6,3	6,3	6,1

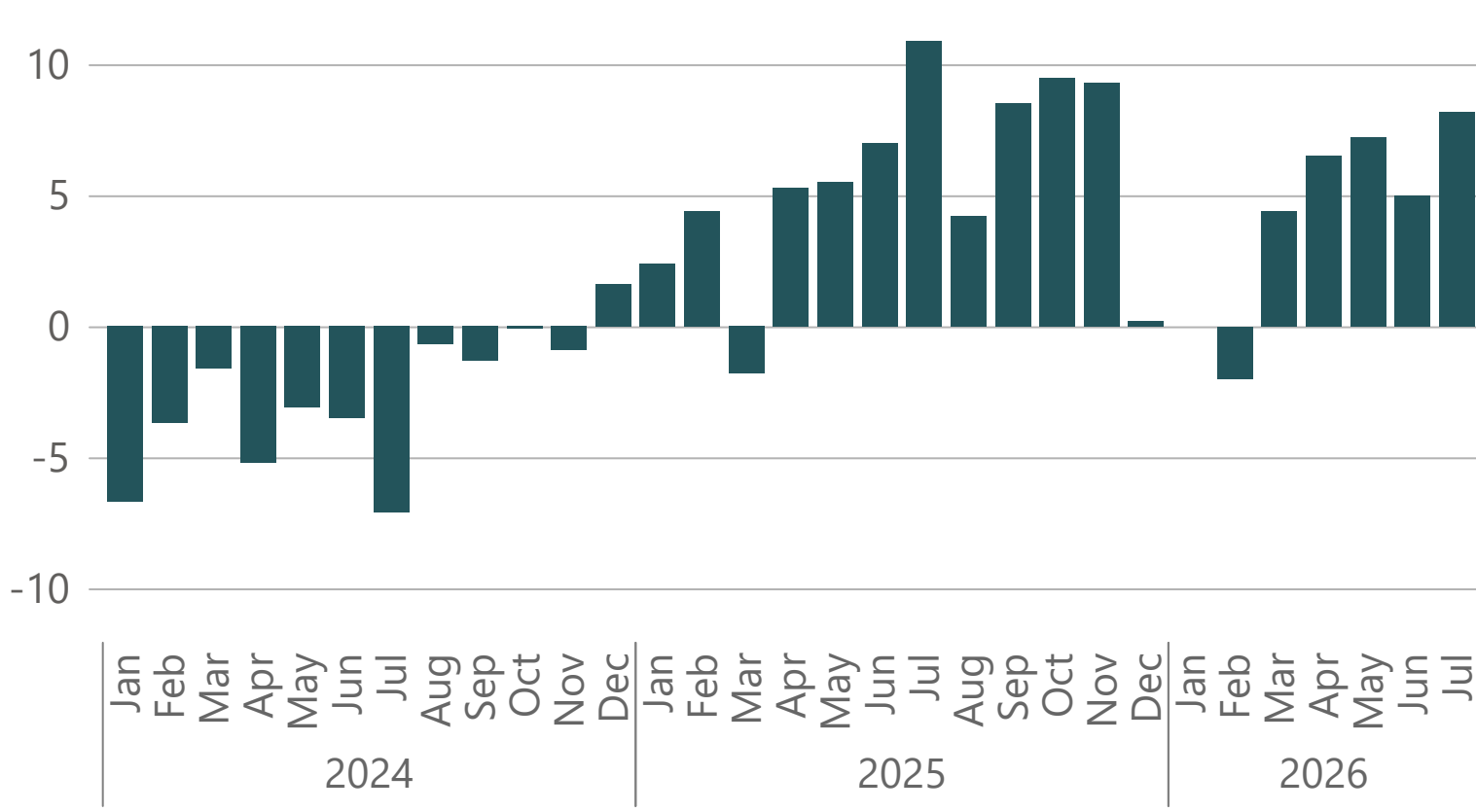
Source: CSB (31.08.2026), *forecasts of the Ministry of Finance of the Republic of Latvia (September 2026)

INDUSTRIES

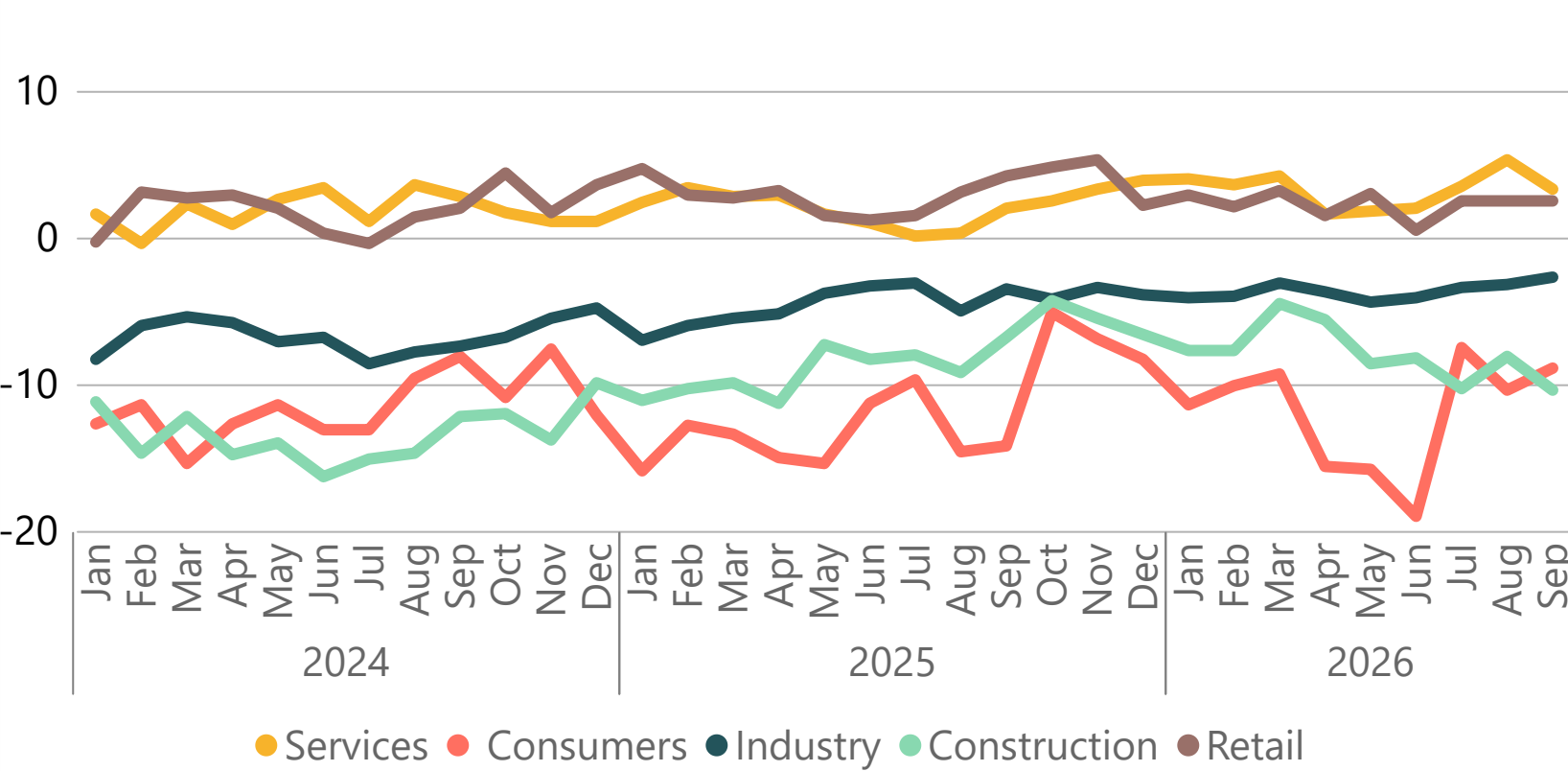
Retail trade growth, YoY%



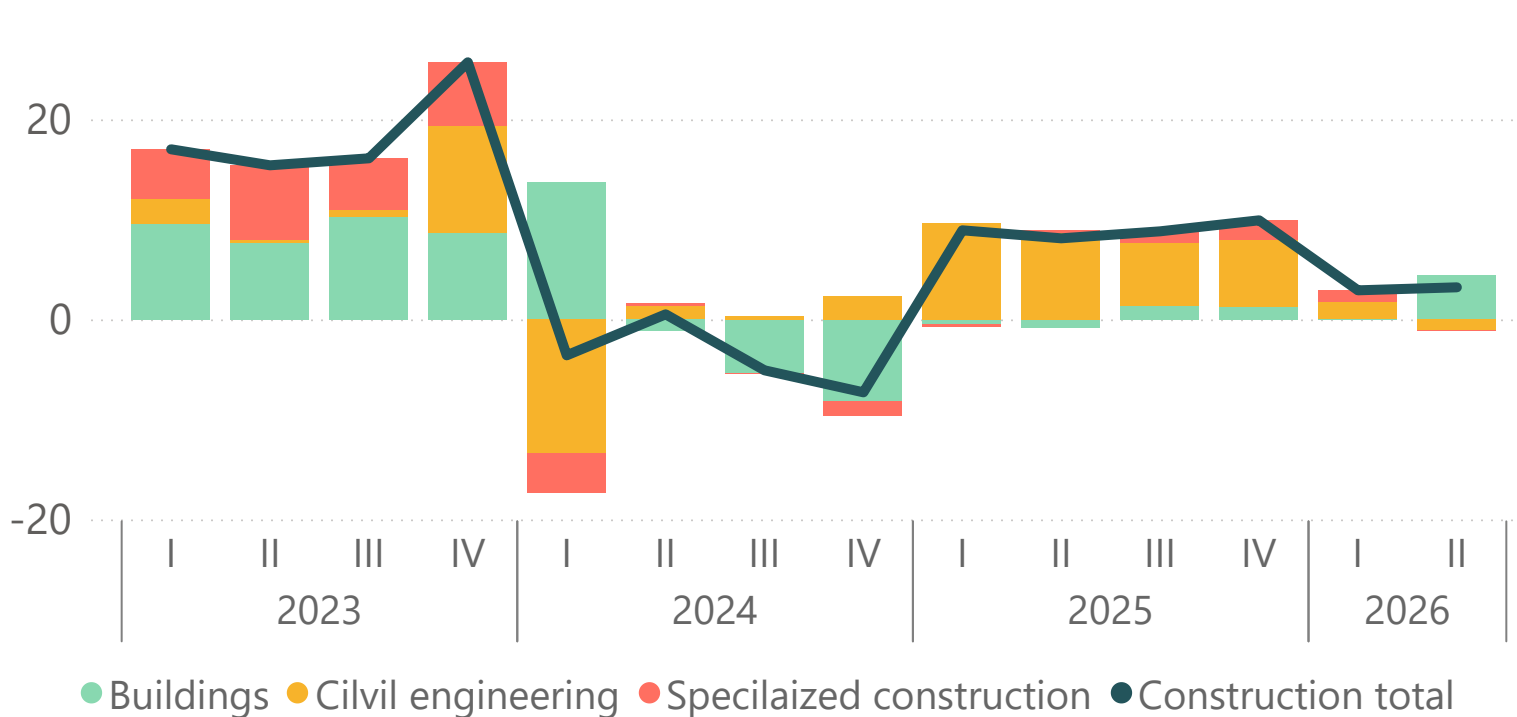
Manufacturing output, YoY%



ESI Sector Confidence Index in Latvia



Construction output at comparable prices, index; % YoY

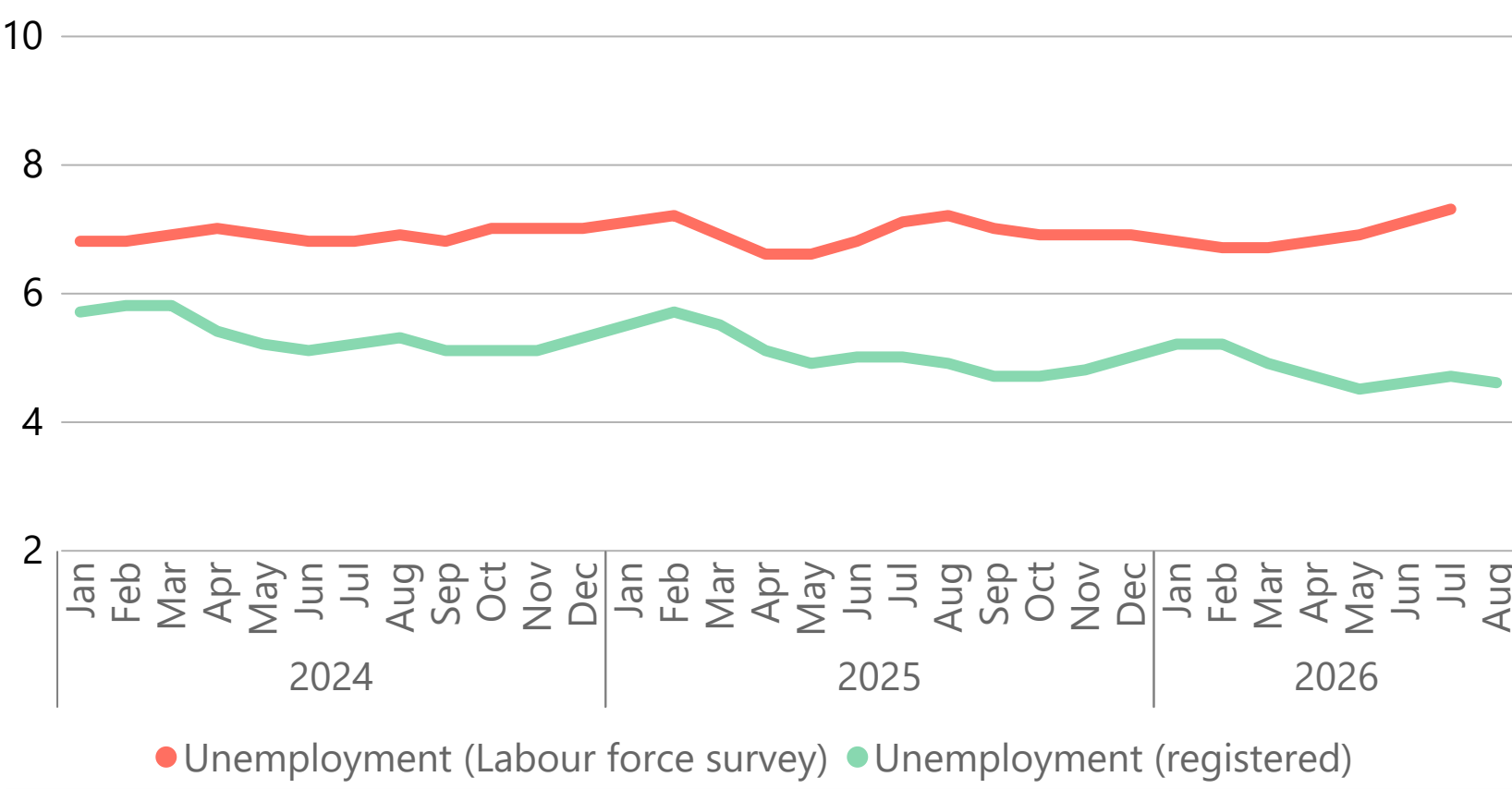


Source: CSB, European Commission

UNEMPLOYMENT



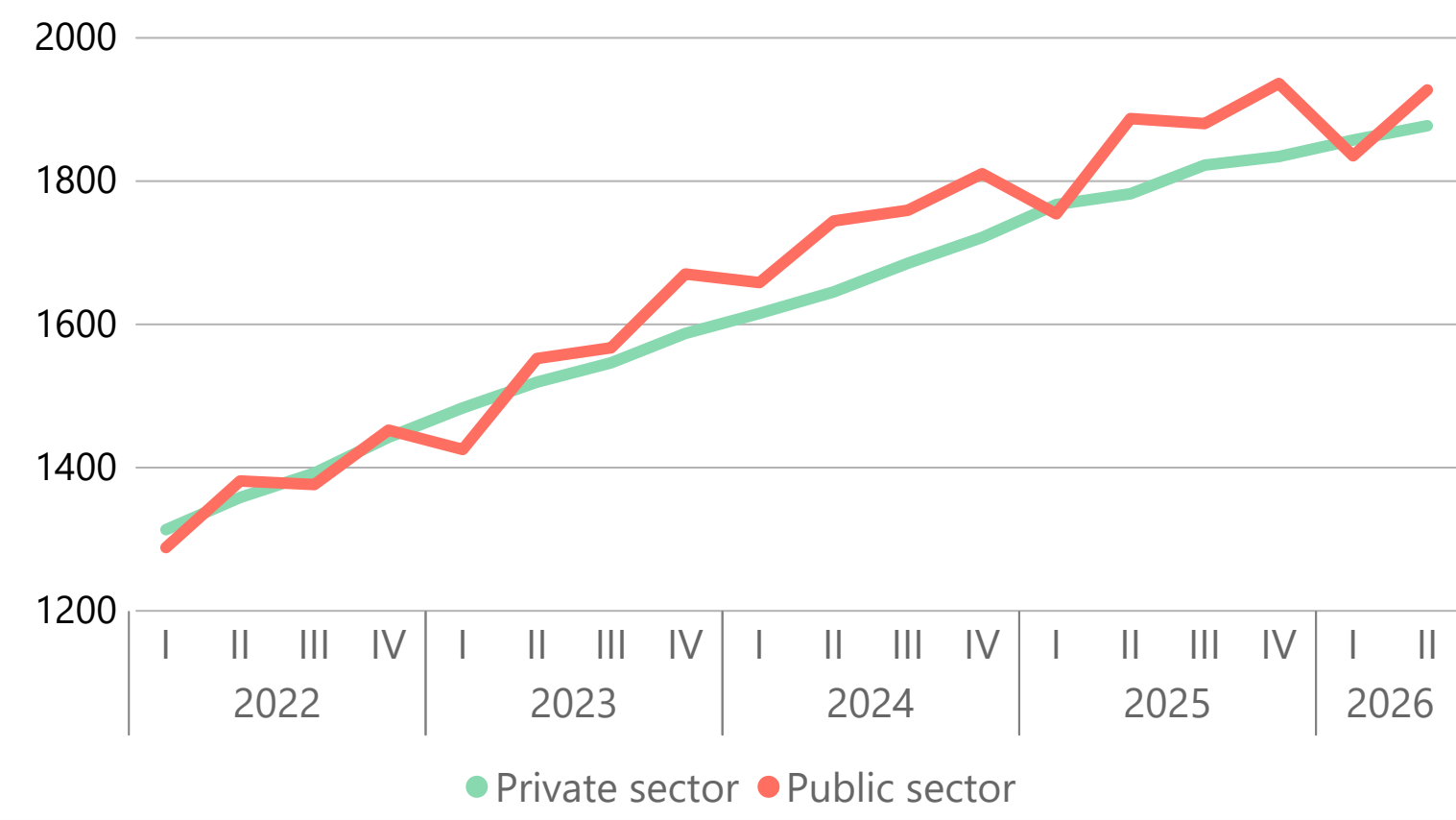
Unemployment rate, %



WAGE



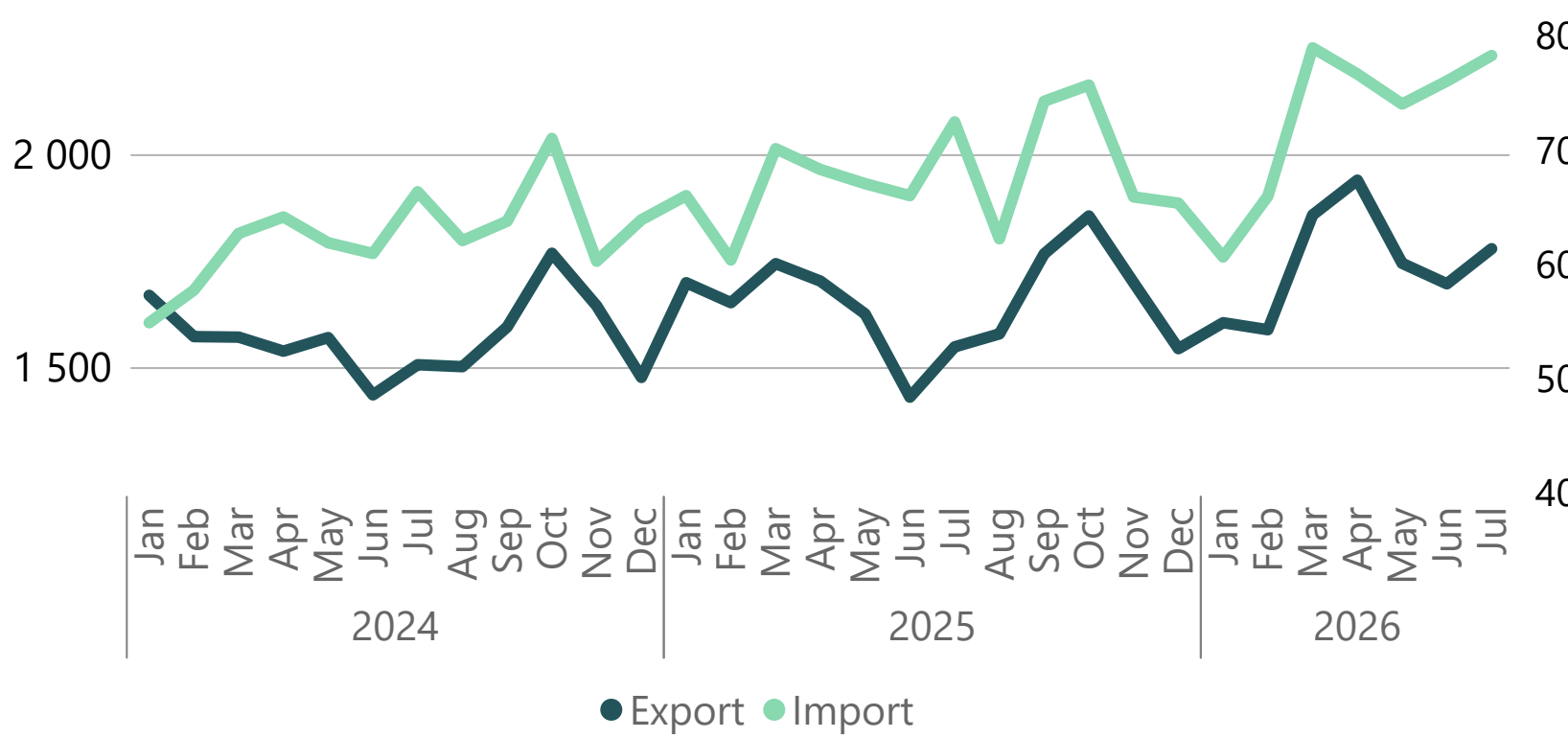
Average monthly gross wage, €



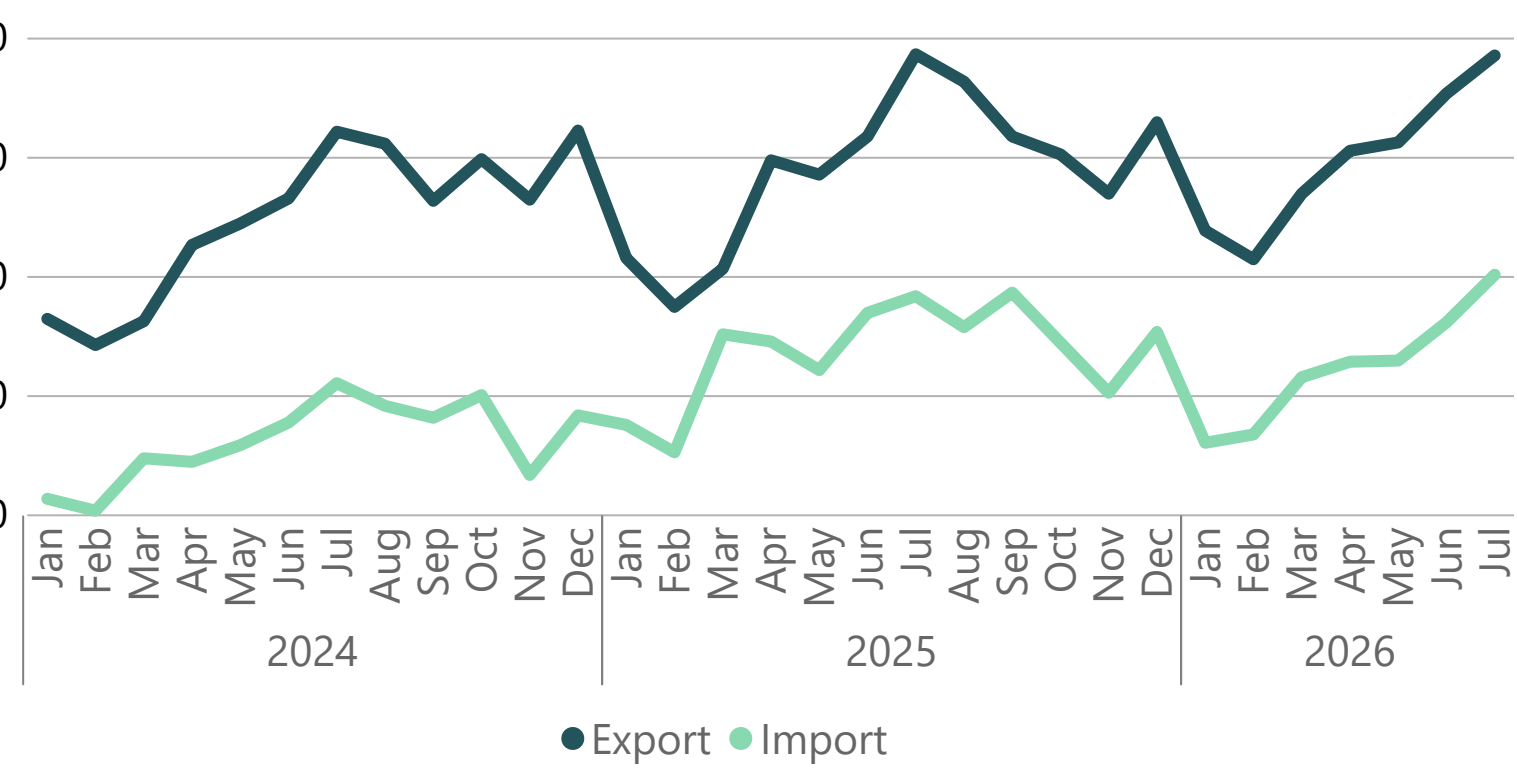
Source: CSB, State Employment Agency

FOREIGN TRADE

Foreign trade (goods), mln €



Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2026

-2.9% of GDP

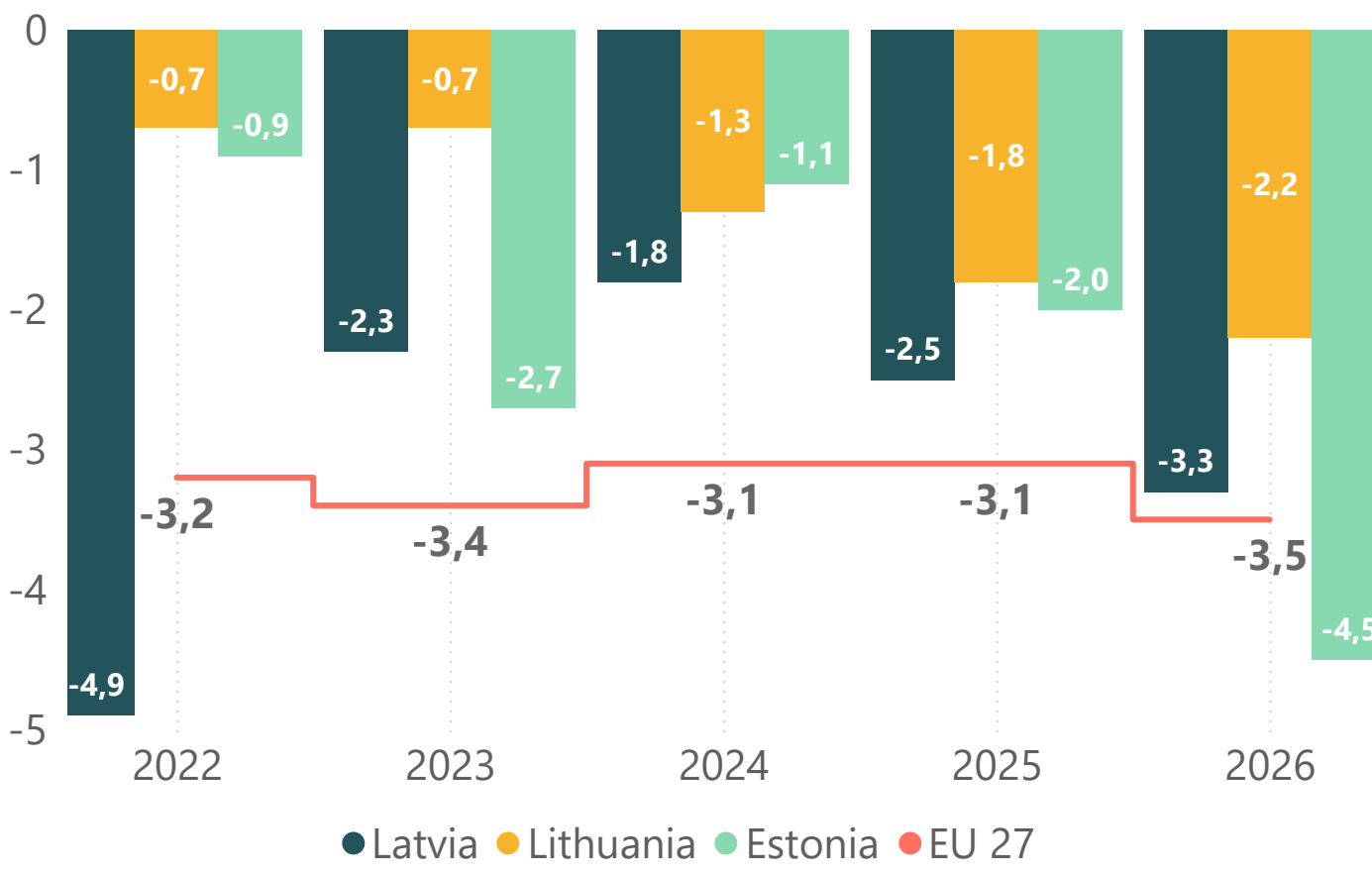
Assessment MoF, June 2026

General government debt 2026

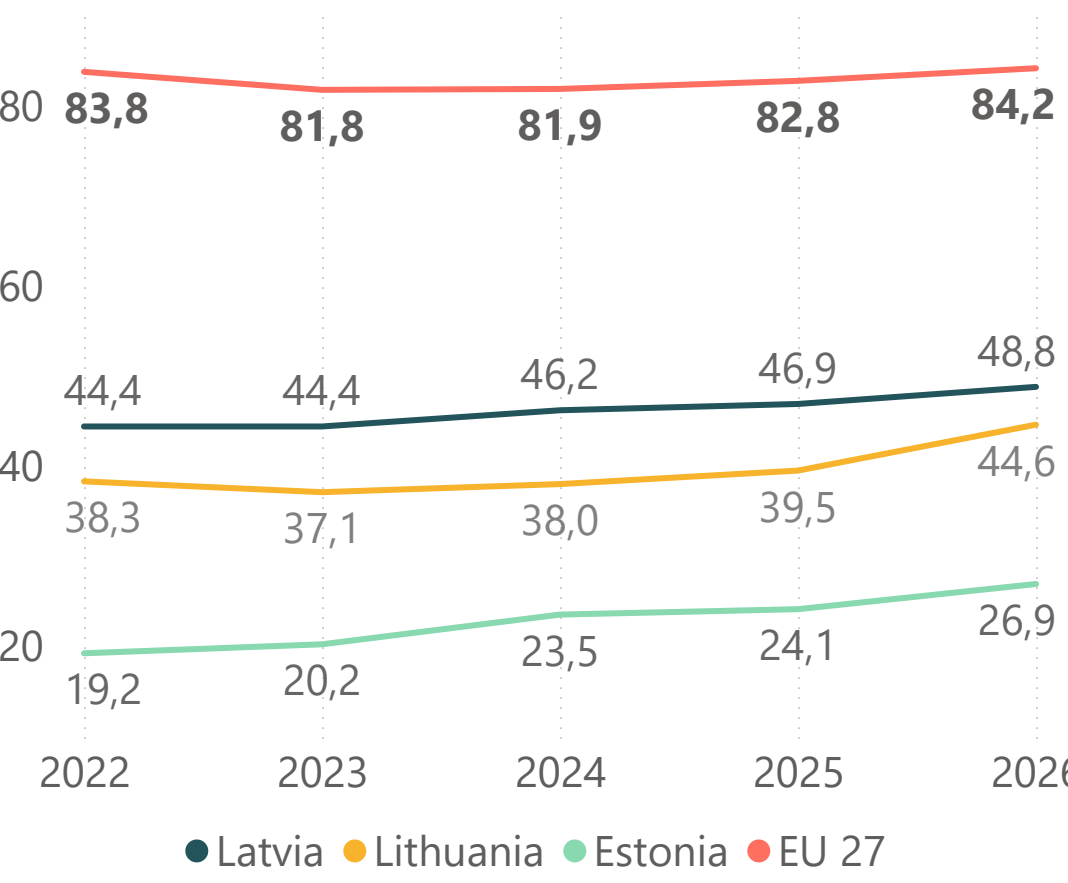
47.9% of GDP

Assessment Treasury, June 2026

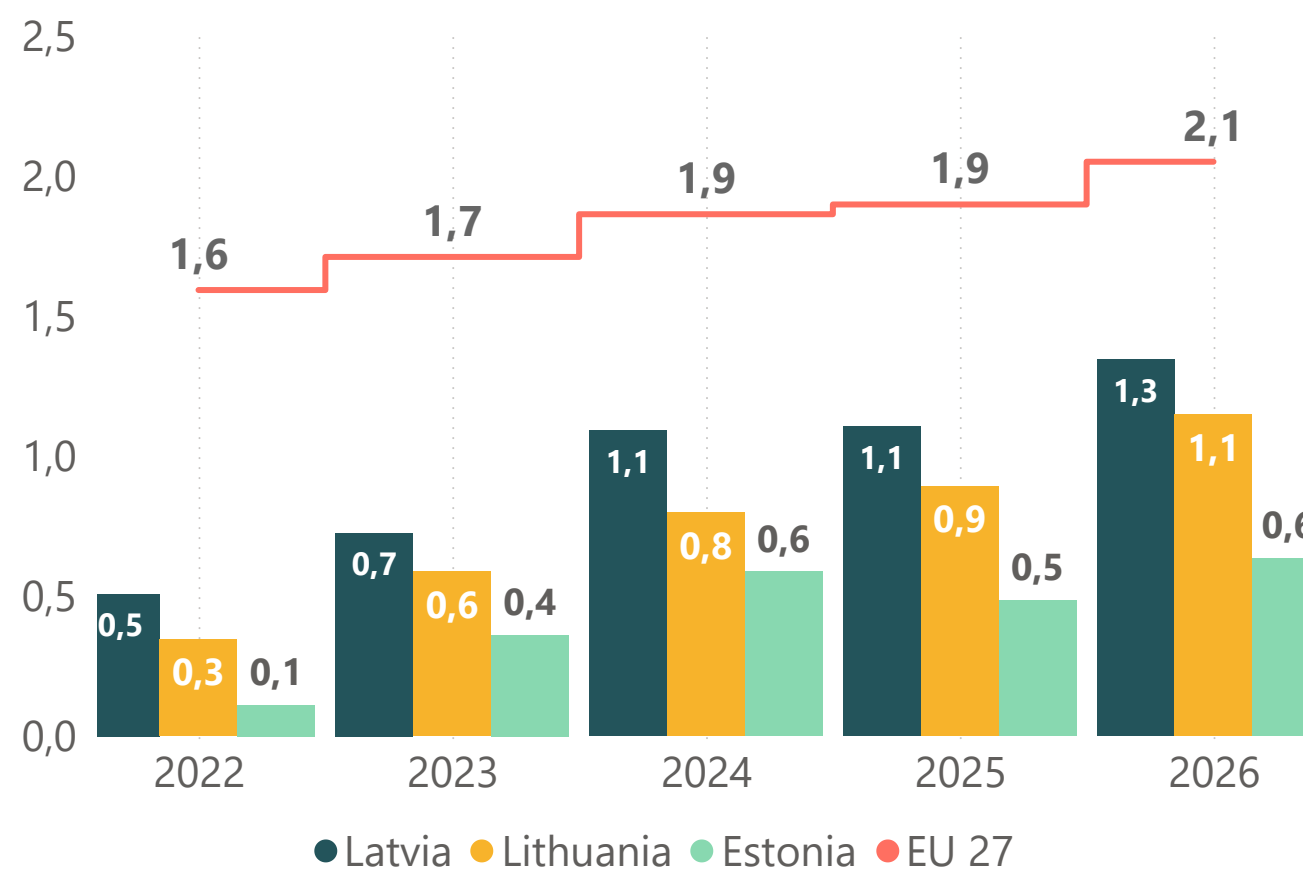
General government budget balance, % of GDP



General government debt, % of GDP



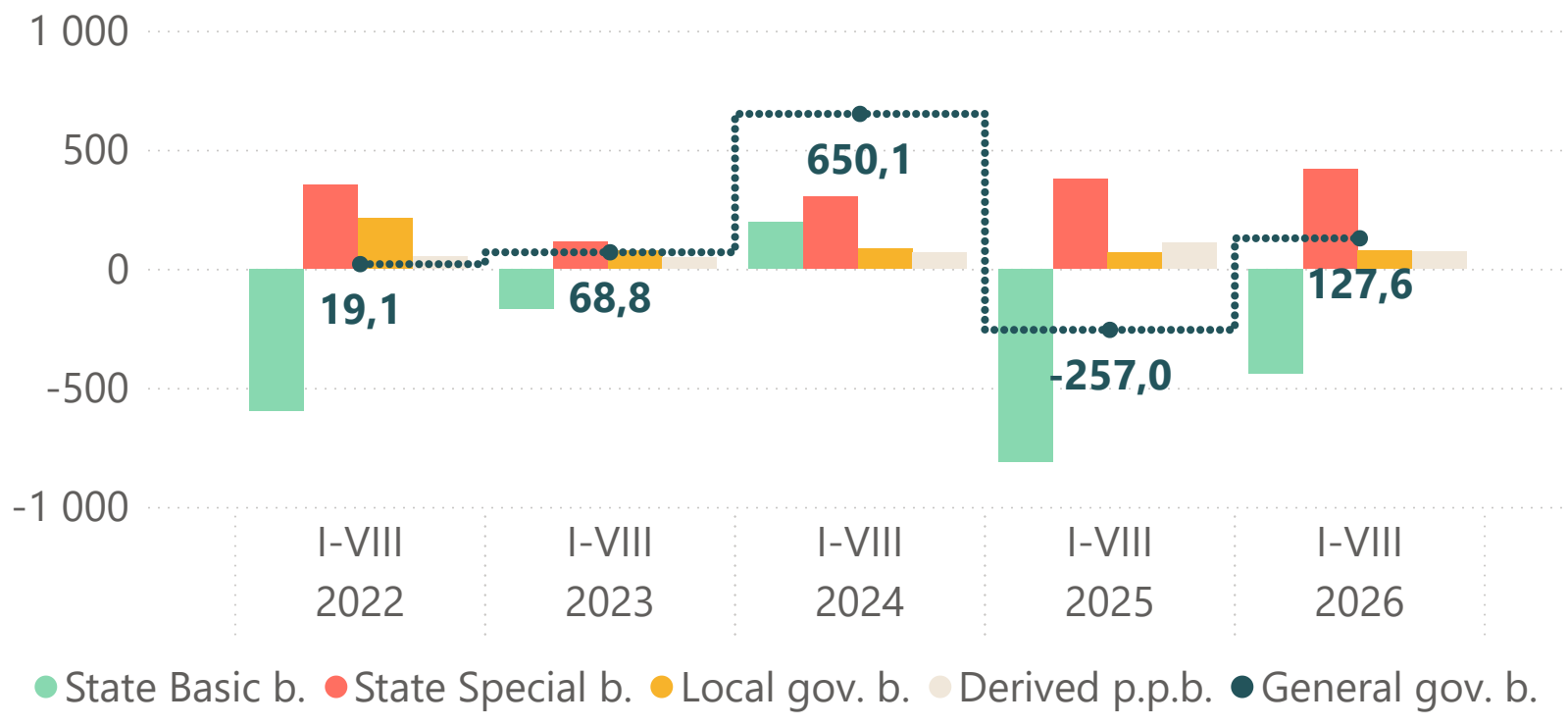
Interest expenditure (D.41), % of GDP



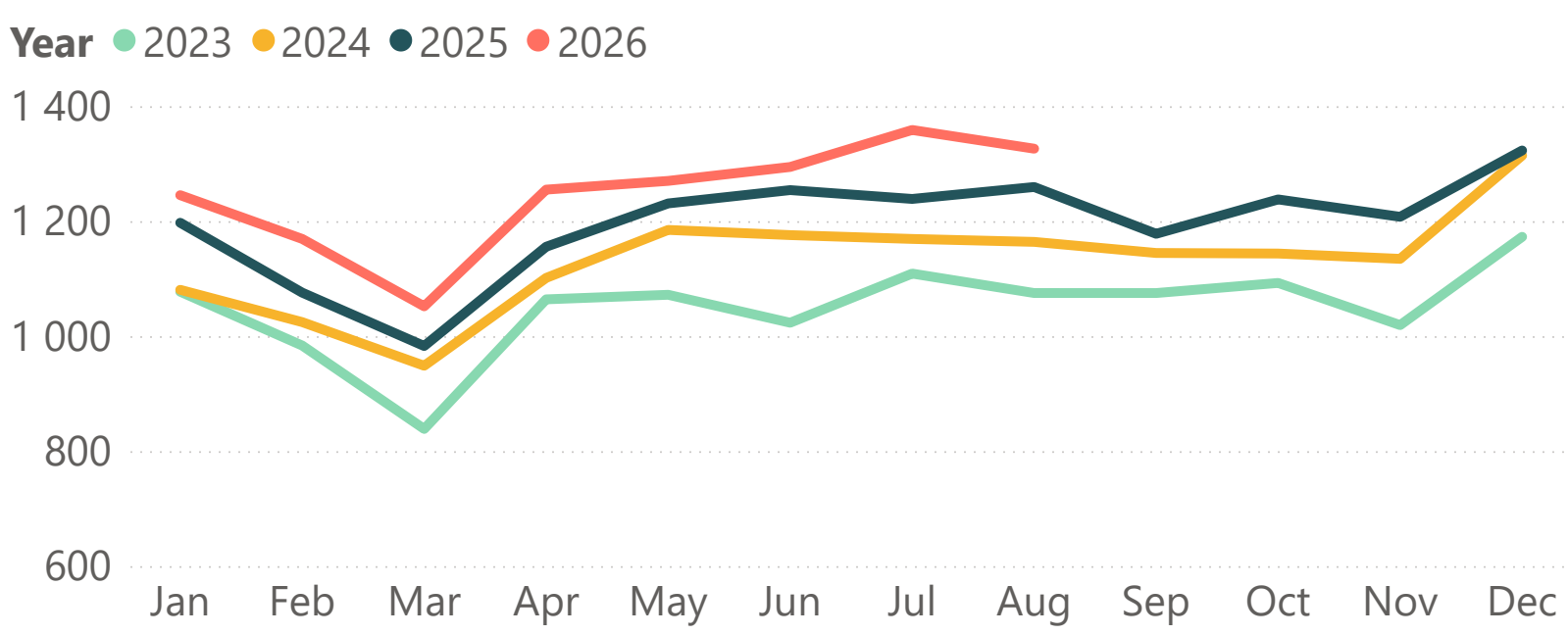
Source: Eurostat (2022-2025), European Commission (AMECO) spring forecast 2026

GENERAL GOVERNMENT BUDGET IN JANUARY-AUGUST 2026 ON CASH BASIS

General government budget balance, mln €



General government budget tax revenue, mln €



Source: State Treasury

Tax revenue in January-August 2026, including revenue in the single tax account (-47.8 mln €) and excluding SSC at the 2nd pension pillar (526.3 mln €).

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue	13 041,2	1 076,7	9,0%
Expenditure	12 913,7	692,1	5,7%
Balance	127,6	384,6	

General government budget tax revenue

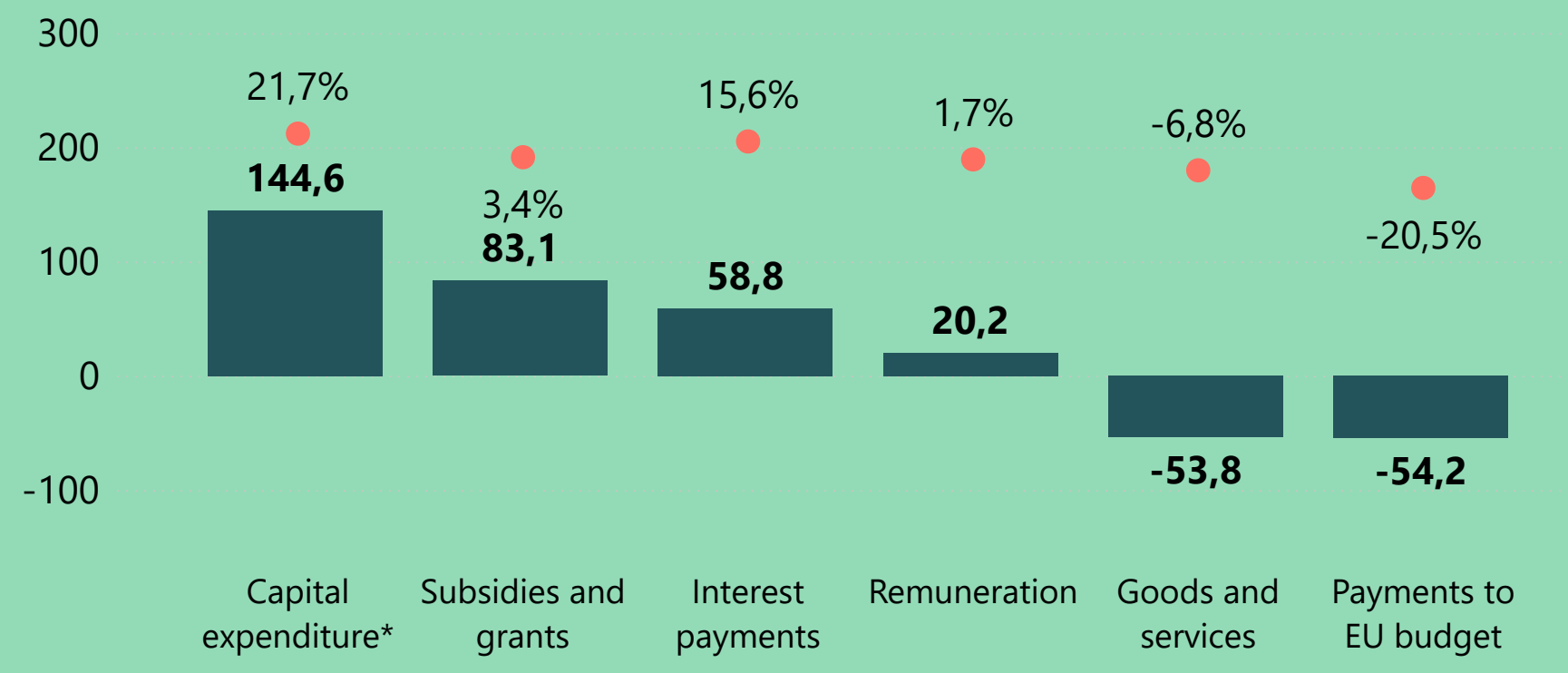
Tax type	Execution, mln €	YoY, mln €	YoY,%
SSC	3 422,1	220,2	6,9%
VAT	2 830,7	213,7	8,2%
PIT	1 878,6	84,6	4,7%
EXCISE	849,0	24,3	2,9%
CIT	552,1	-28,0	-4,8%

General government budget	Execution, mln €	YoY, mln €	YoY,%
Revenue			
Tax revenue	9 968,8	575,8	6,1%
Non tax revenue	895,4	4,0	0,5%
Self-earned revenue	409,2	8,3	2,1%
Foreign financial assistance	1 766,7	489,1	38,3%
Expenditure			
Remuneration	2 867,7	83,1	3,0%
Goods and services	1 387,1	-14,7	-1,0%
Interest payments	407,5	46,1	12,8%
Subsidies and grants	2 759,7	90,5	3,4%
Social support	3 956,3	298,7	8,2%
Payments to EU budget	209,7	-54,2	-20,5%
Capital expenditure	1 242,2	210,7	20,4%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	7 630,5	695,4	10,0%
Expenditure	8 068,9	322,2	4,2%
Balance	-438,4	373,2	

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



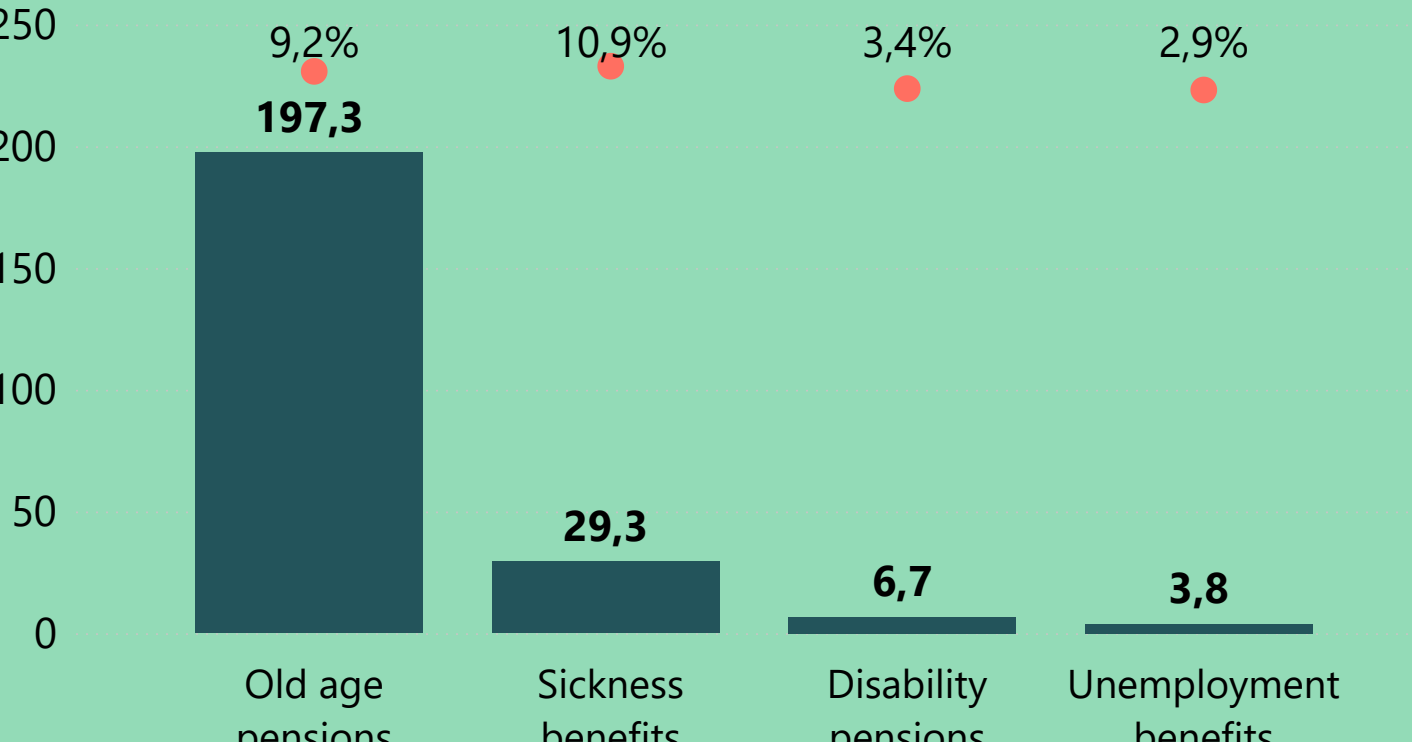
*Capital expenditure - fixed capital formation, excluding transfers between budget levels

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	3 716,0	288,3	8,4%
Expenditure	3 298,5	249,0	8,2%
Balance	417,5	39,3	

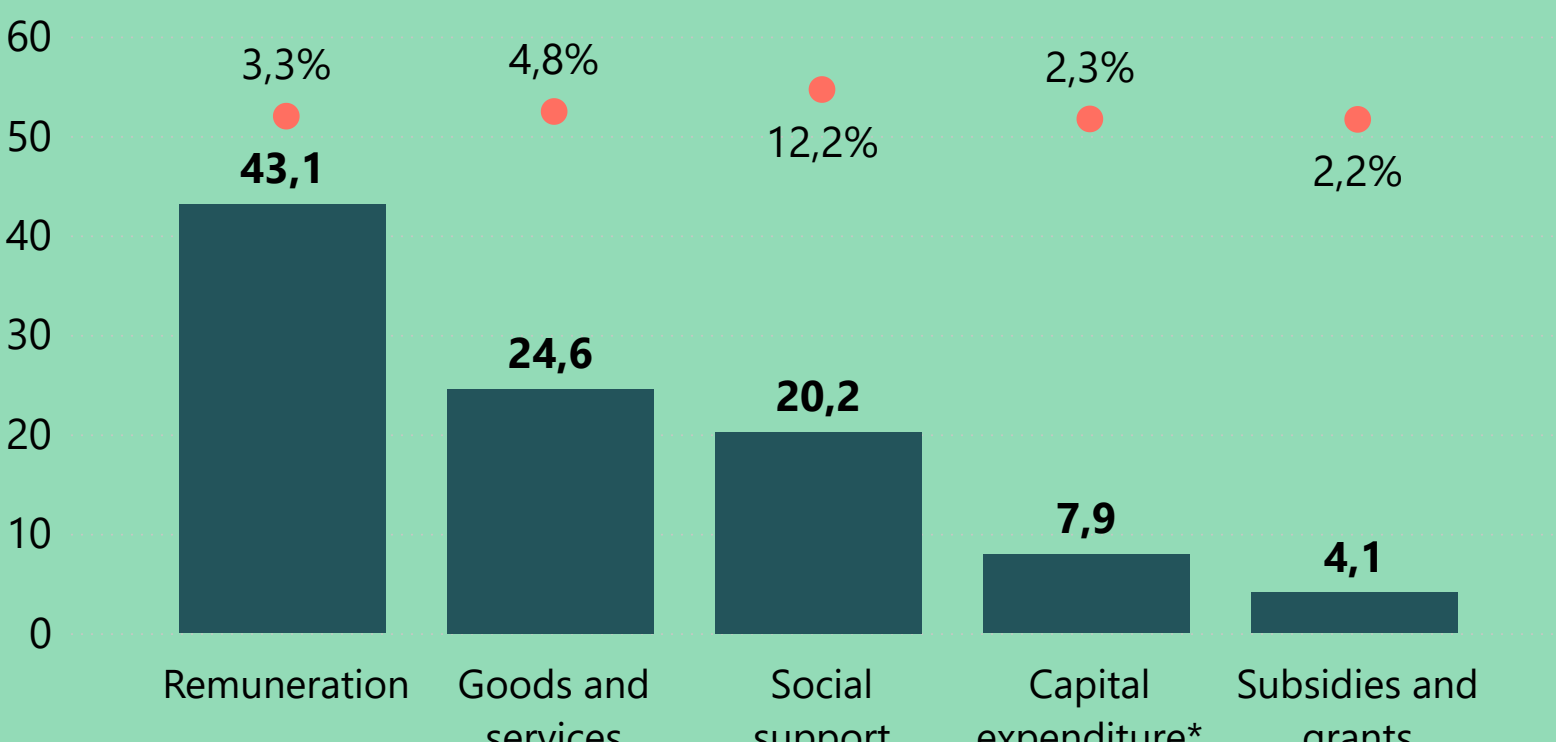
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

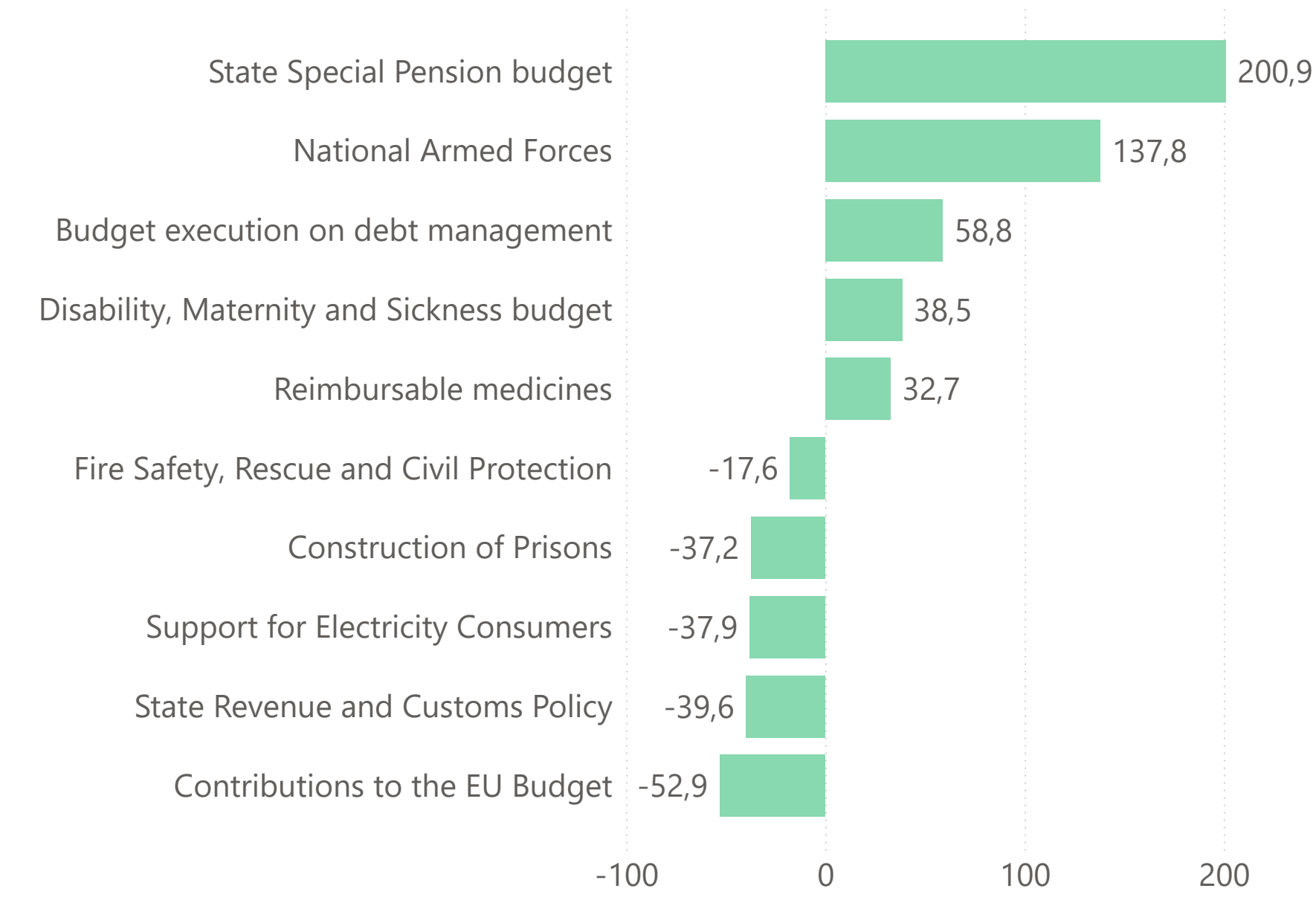
Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 752,7	102,5	3,9%
Expenditure	2 677,4	93,3	3,6%
Balance	75,3	9,2	

Major changes in mln € and % 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

437 203
(+ 1.2% YoY)
August 2026

Old-age pensions average amount

664€
(+ 9.3% YoY)
August 2026

Unemployment benefit recipients

29 114
(- 2.1% YoY)
August 2026

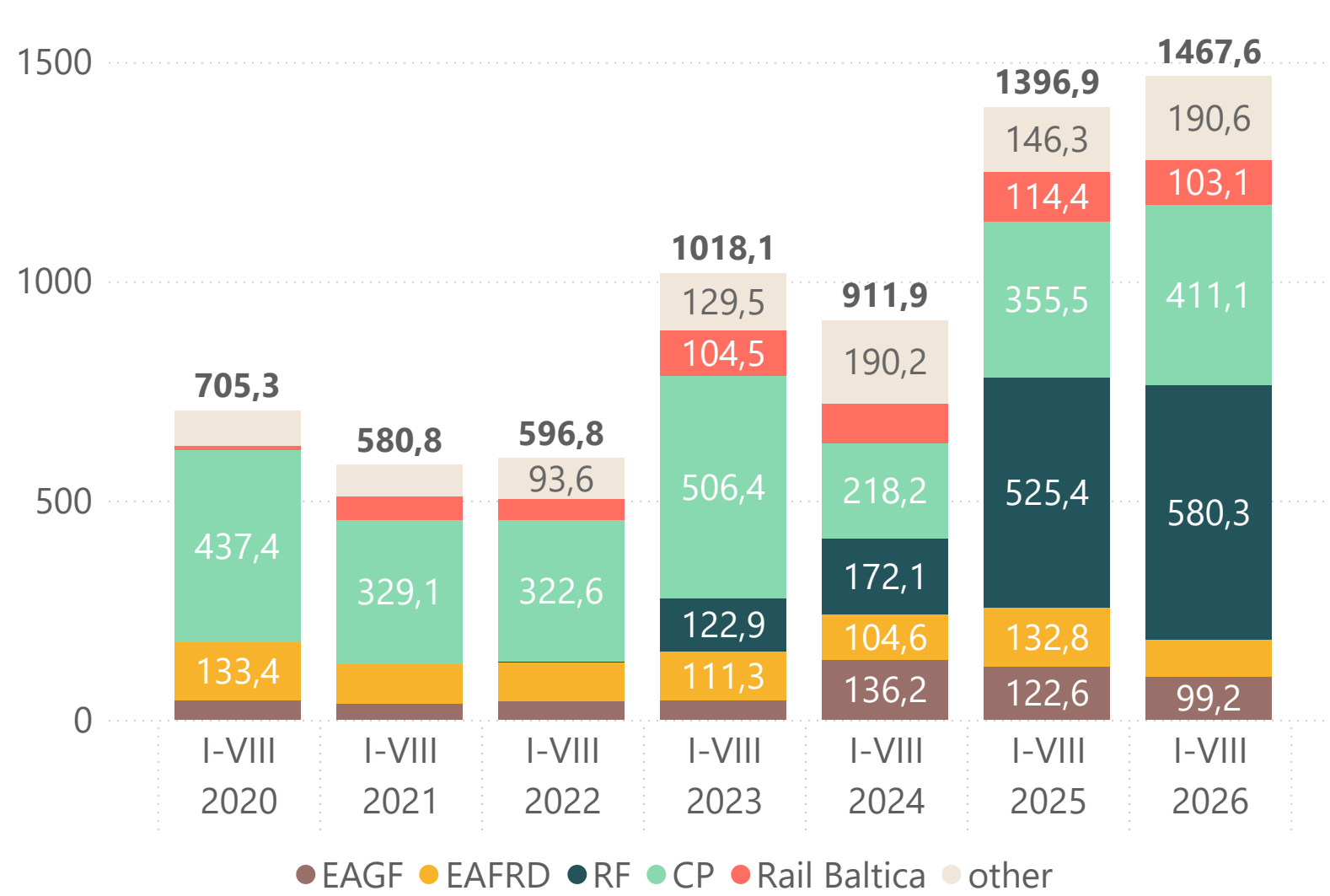
Unemployment benefit average amount

595€
(+ 9.7% YoY)
August 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