

MACROECONOMIC AND BUDGETARY REVIEW 2022

No 3

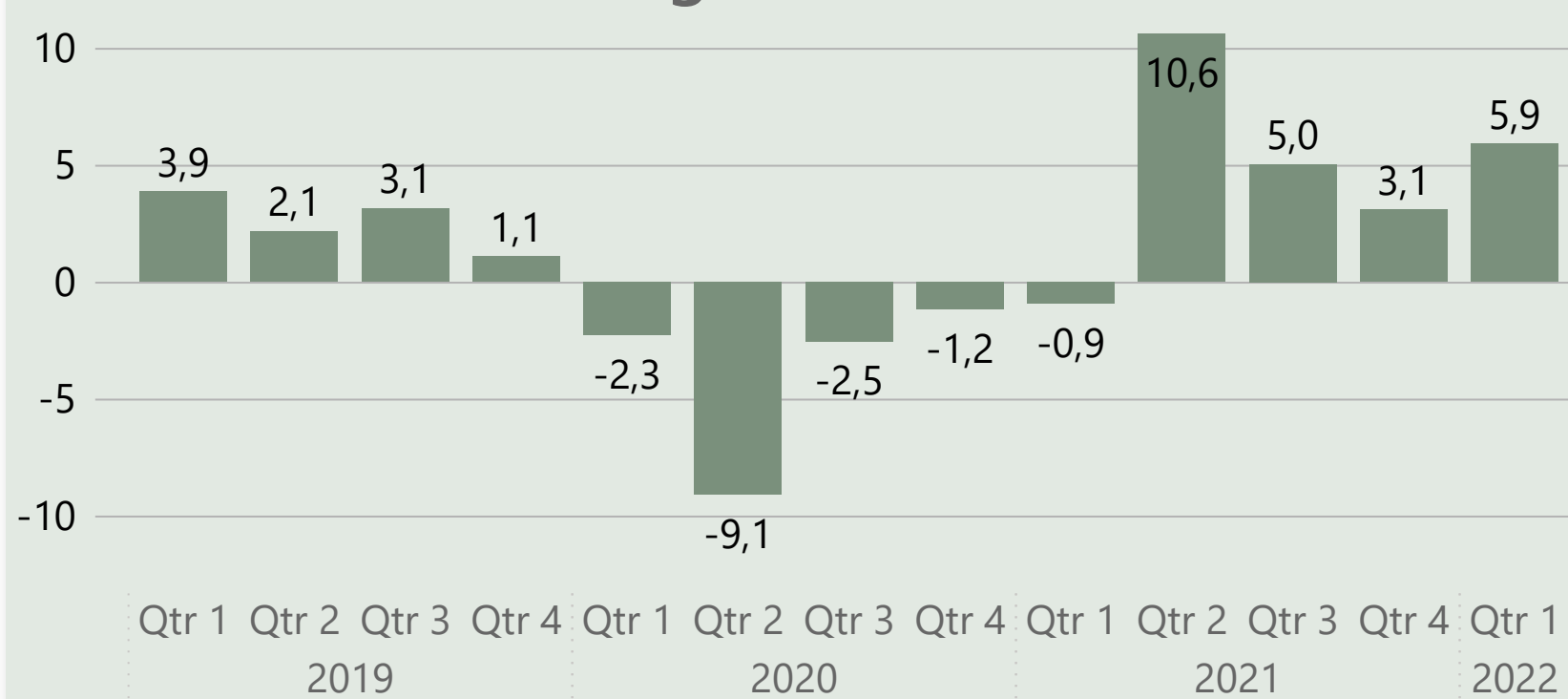
GROSS DOMESTIC PRODUCT (GDP)

Gross domestic product 2021

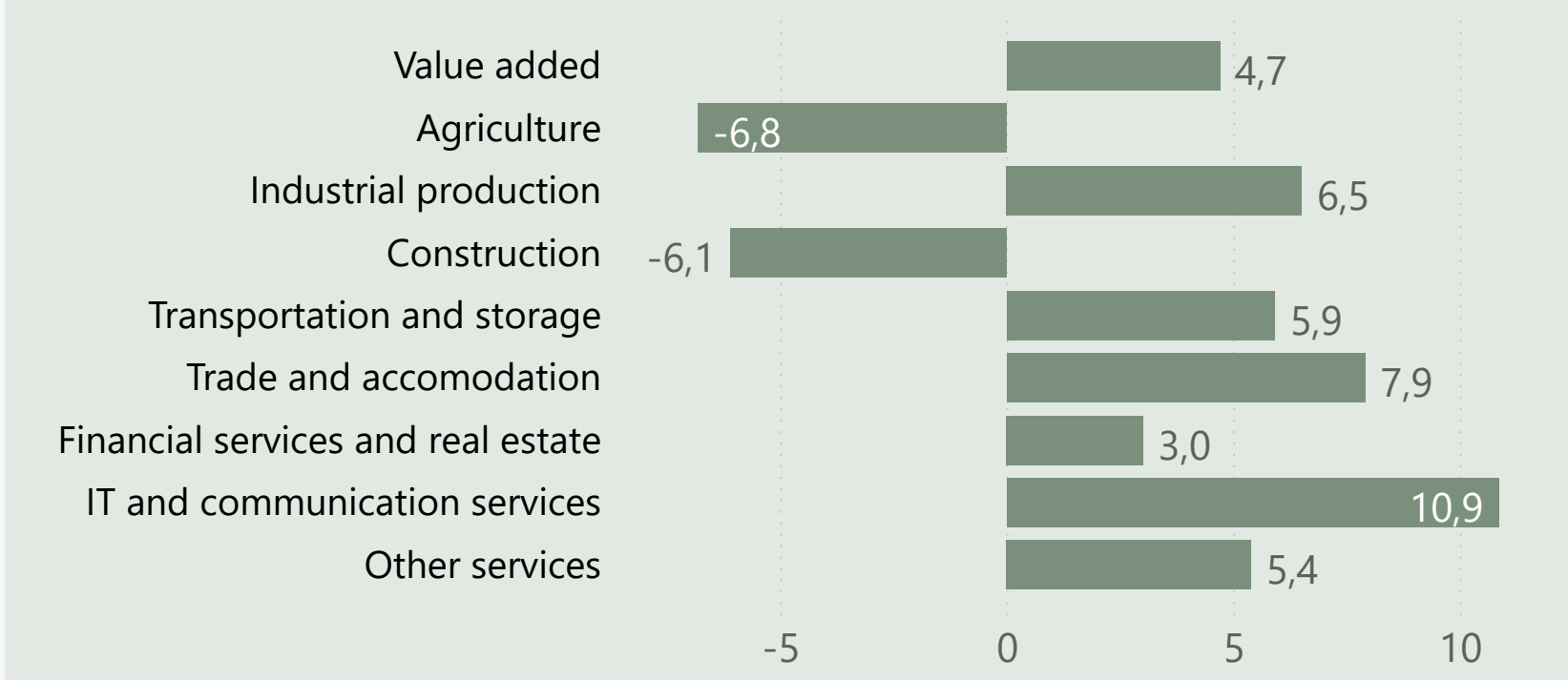
32 867 milj. €

Central Statistical Bureau, 24.04.2022.

GDP growth, YoY%



GDP growth by sectoral breakdown (2021/2020), %



Source: Central Statistical Bureau(CSB)

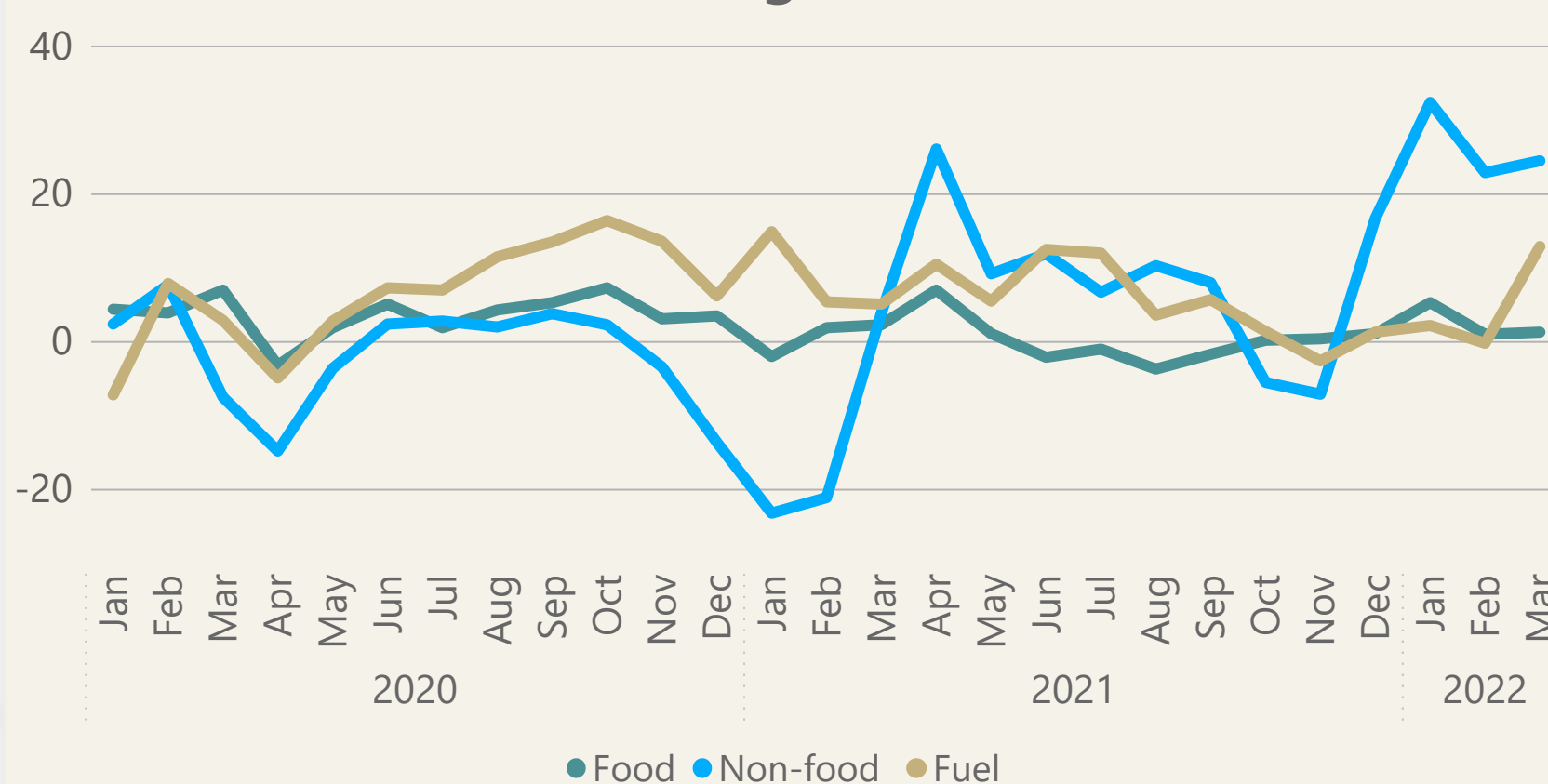
MAIN MACROECONOMIC INDICATORS

Indicator	2016	2017	2018	2019	2020	2021	2022*	2023*	2024*	2025*
Nominal GDP growth, %	3,3	6,4	8	5,1	-3,9	11,6	10,9	6,8	6,1	5,8
Real GDP growth, %	2,4	3,3	4	2,5	-3,8	4,5	2,1	2,5	3,3	3,4
GDP deflator, % change	0,9	2,9	3,9	2,6	-0,1	6,8	8,7	4,2	2,7	2,3
Consumer price index, % change	0,2	2,9	2,6	2,8	0,2	3,3	8,5	3,5	2,5	2
Average monthly gross wage, EUR	859	926	1004	1076	1143	1277	1354	1431	1507	1582
nominal growth, %	5	7,8	8,4	7,2	6,2	11,7	6	5,7	5,3	5
real growth, %	4,8	4,7	5,7	4,2	6	8,2	-2,3	2,1	2,7	2,9
Number of persons employed, thsd	893	895	909	910	893	864	875	879	879	879
growth, %	-0,3	0,2	1,6	0,1	-1,9	-3,2	1,3	0,4	0	0
Unemployment rate, %	9,6	8,7	7,4	6,3	8,1	7,6	7,6	6,7	6,2	5,9

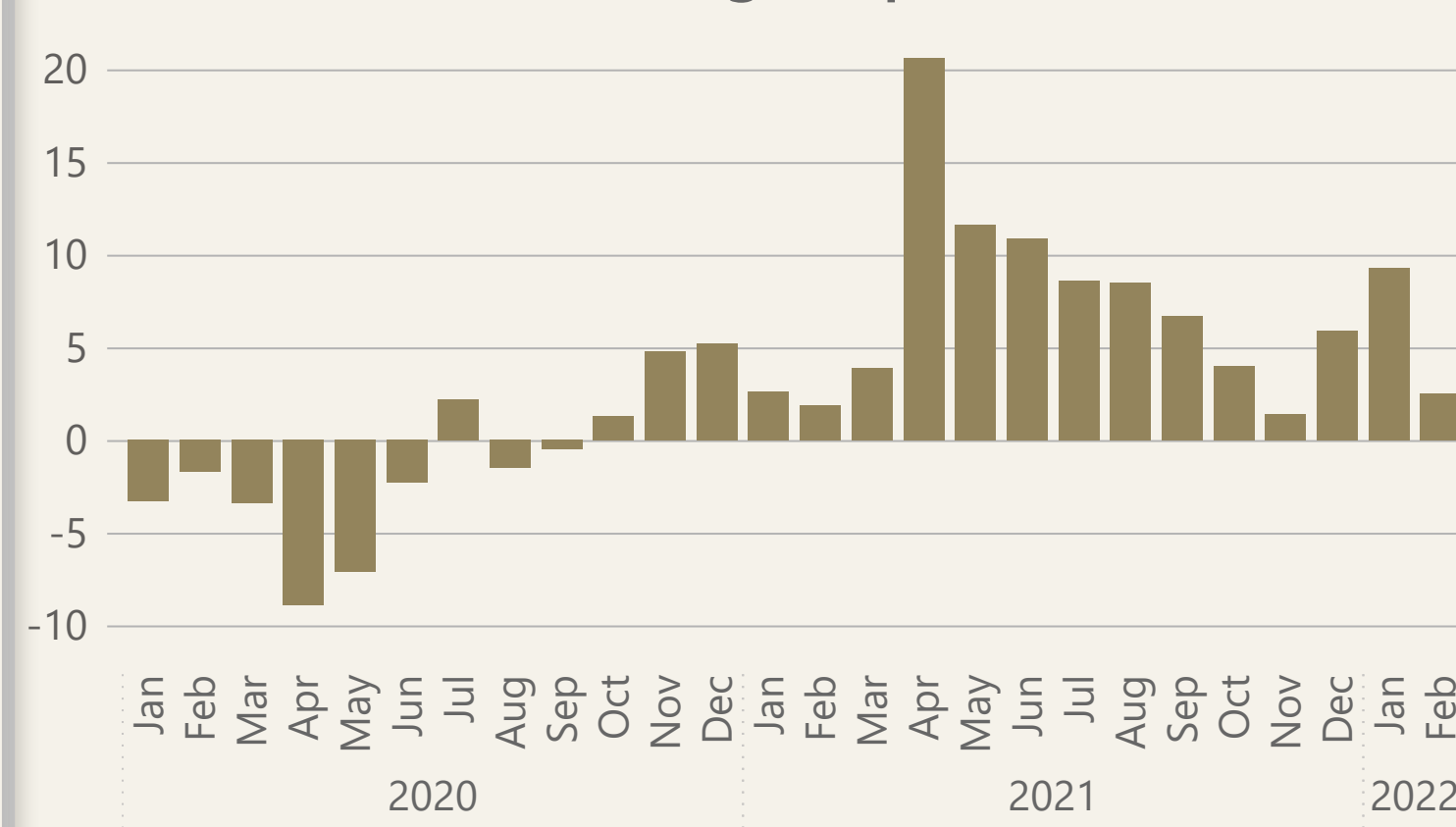
Source: CSB (24.04.2022), *forecasts of the Ministry of Finance of the Republic of Latvia (March 2022)

INDUSTRIES

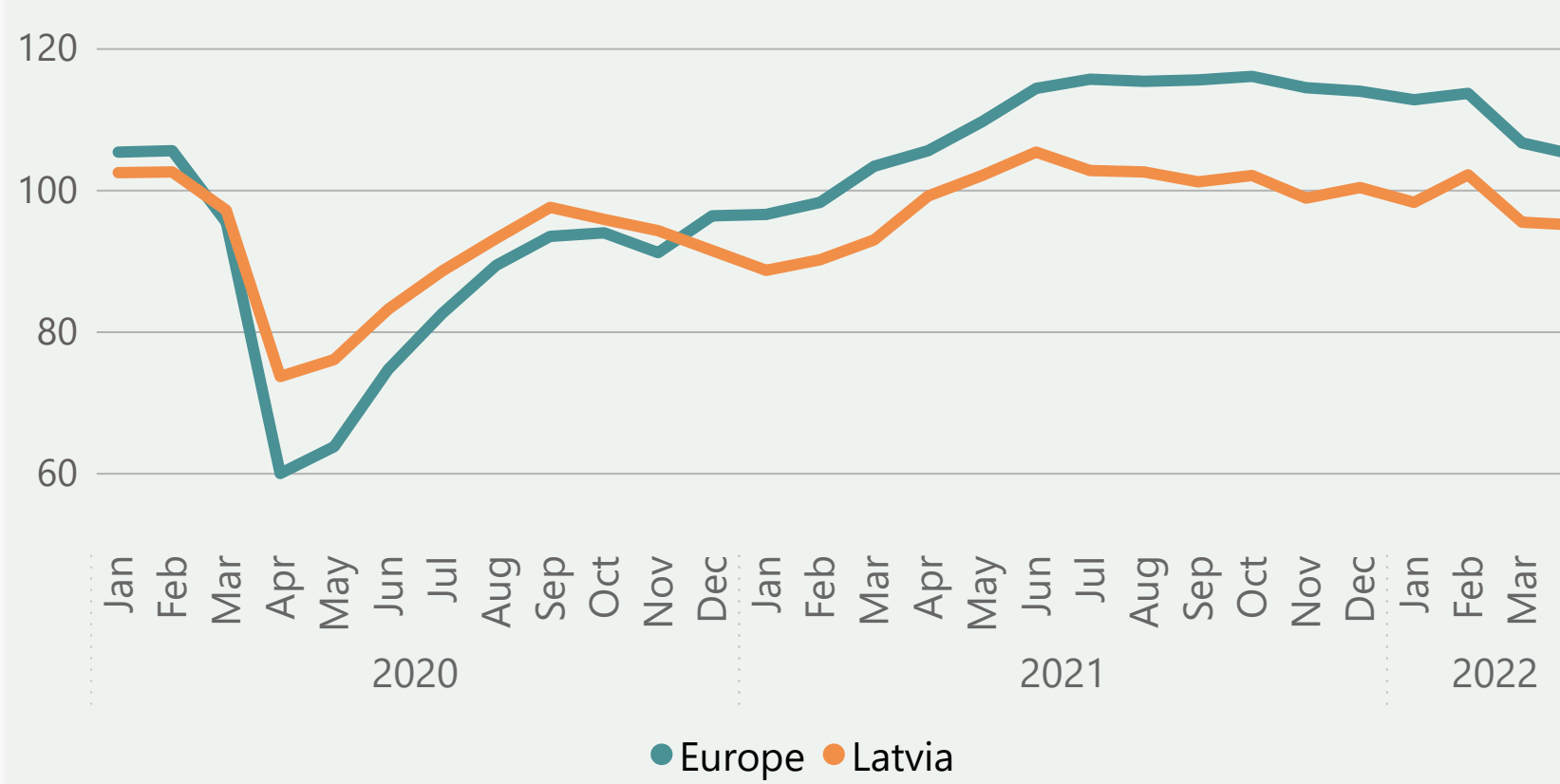
Retail trade growth, YoY%



Manufacturing output, YoY%

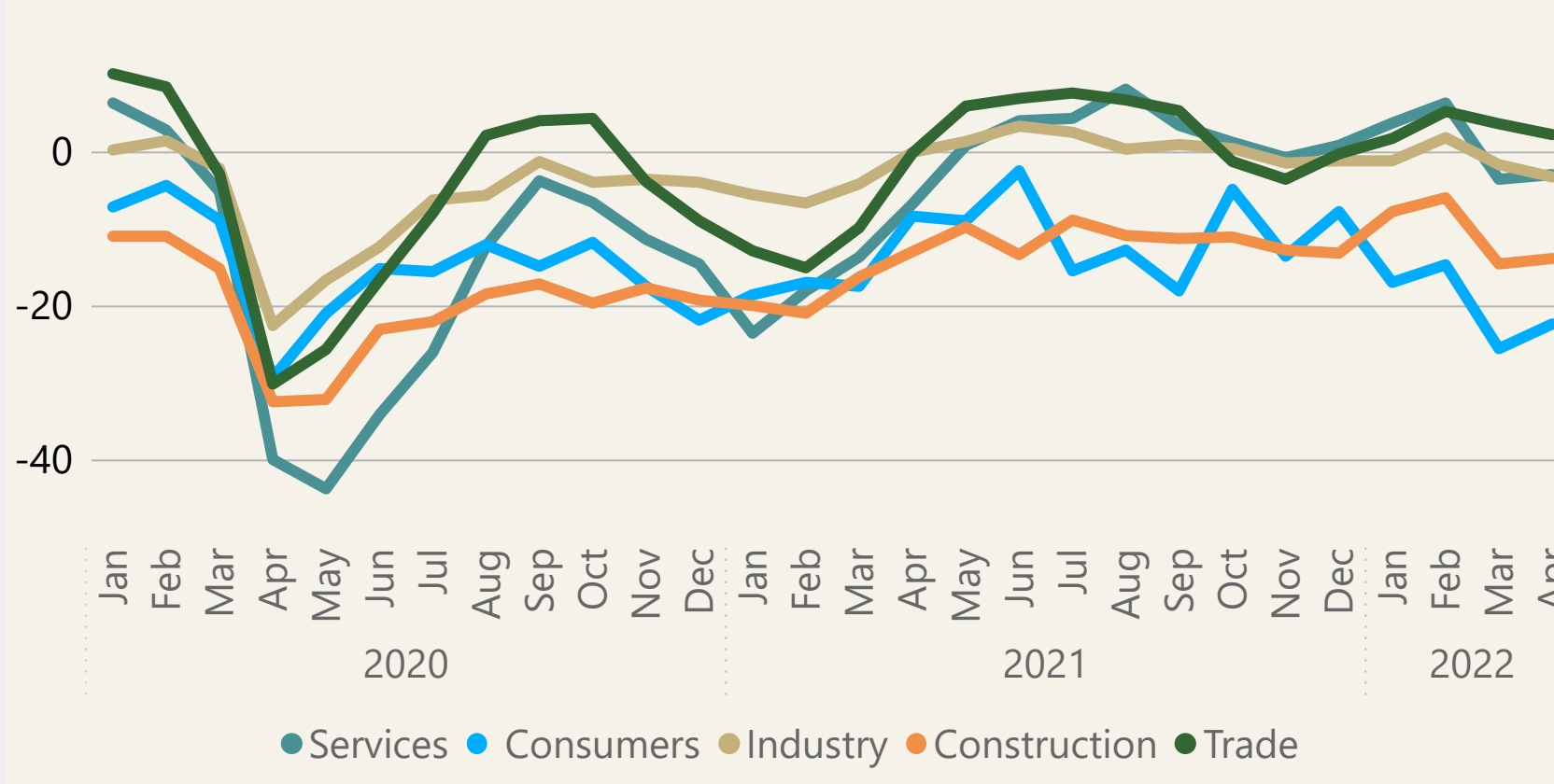


Economic confidence



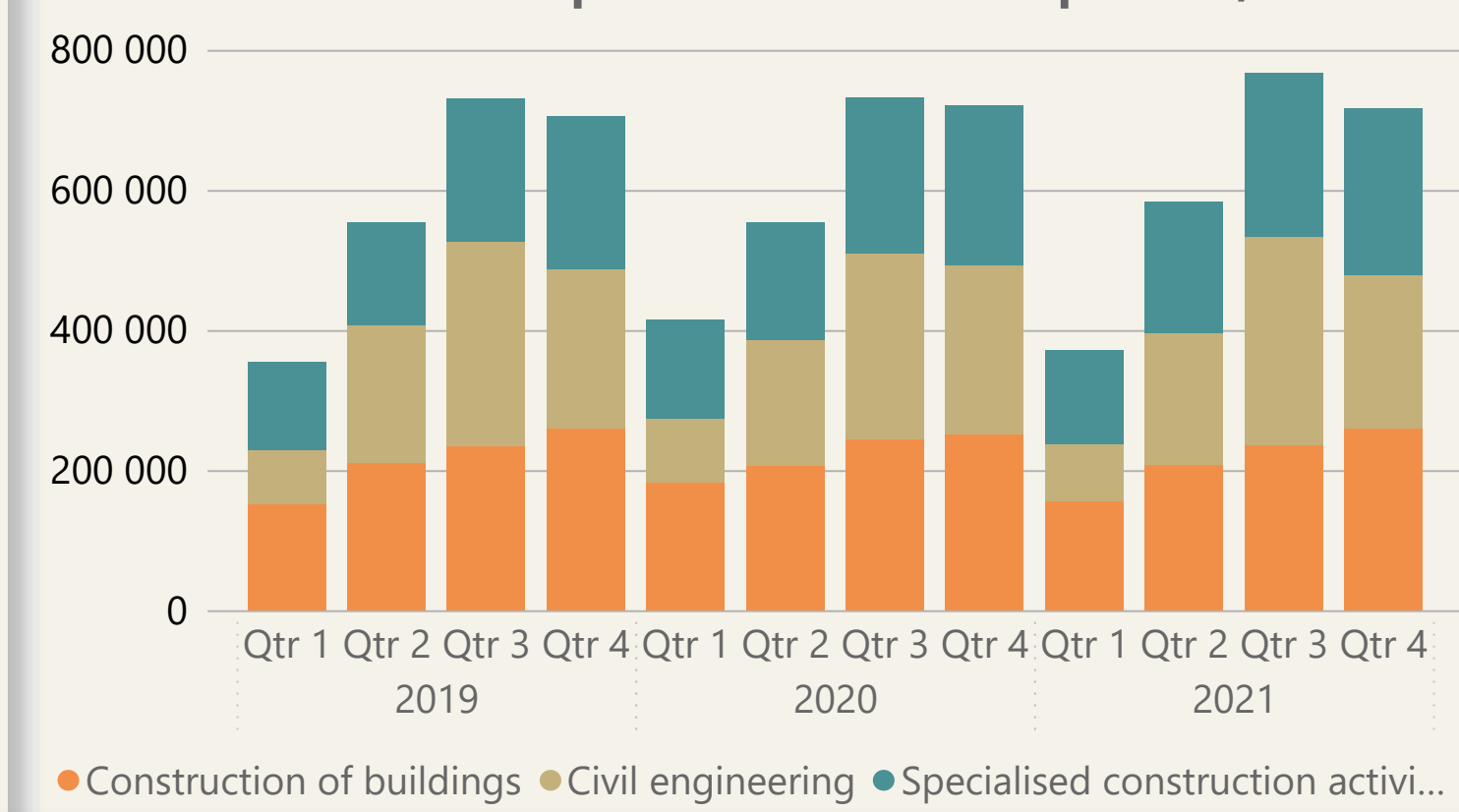
Source: European Commission

ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



INFLATION

Inflation

11,5 %

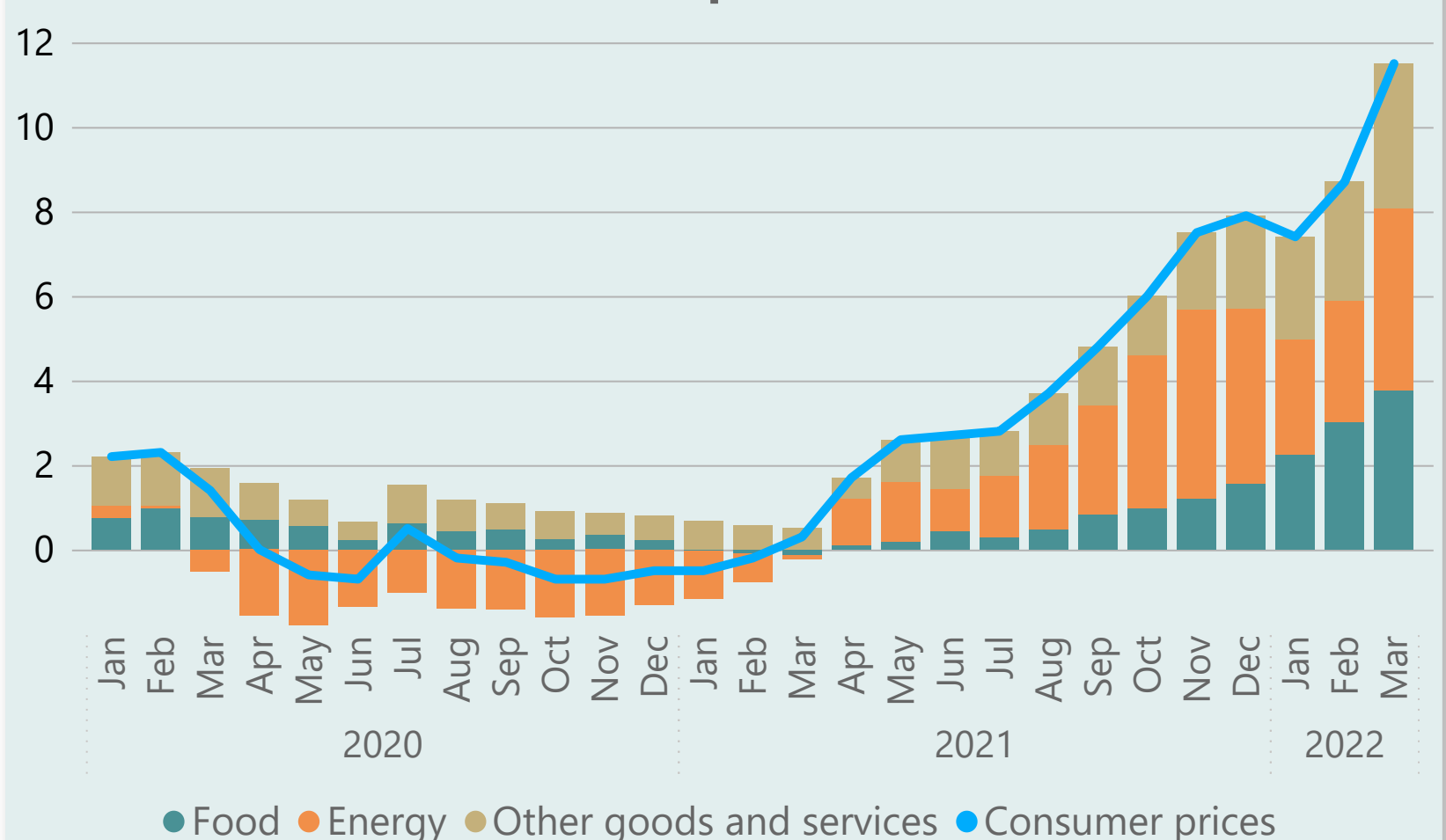
March 2022

Producer price rise

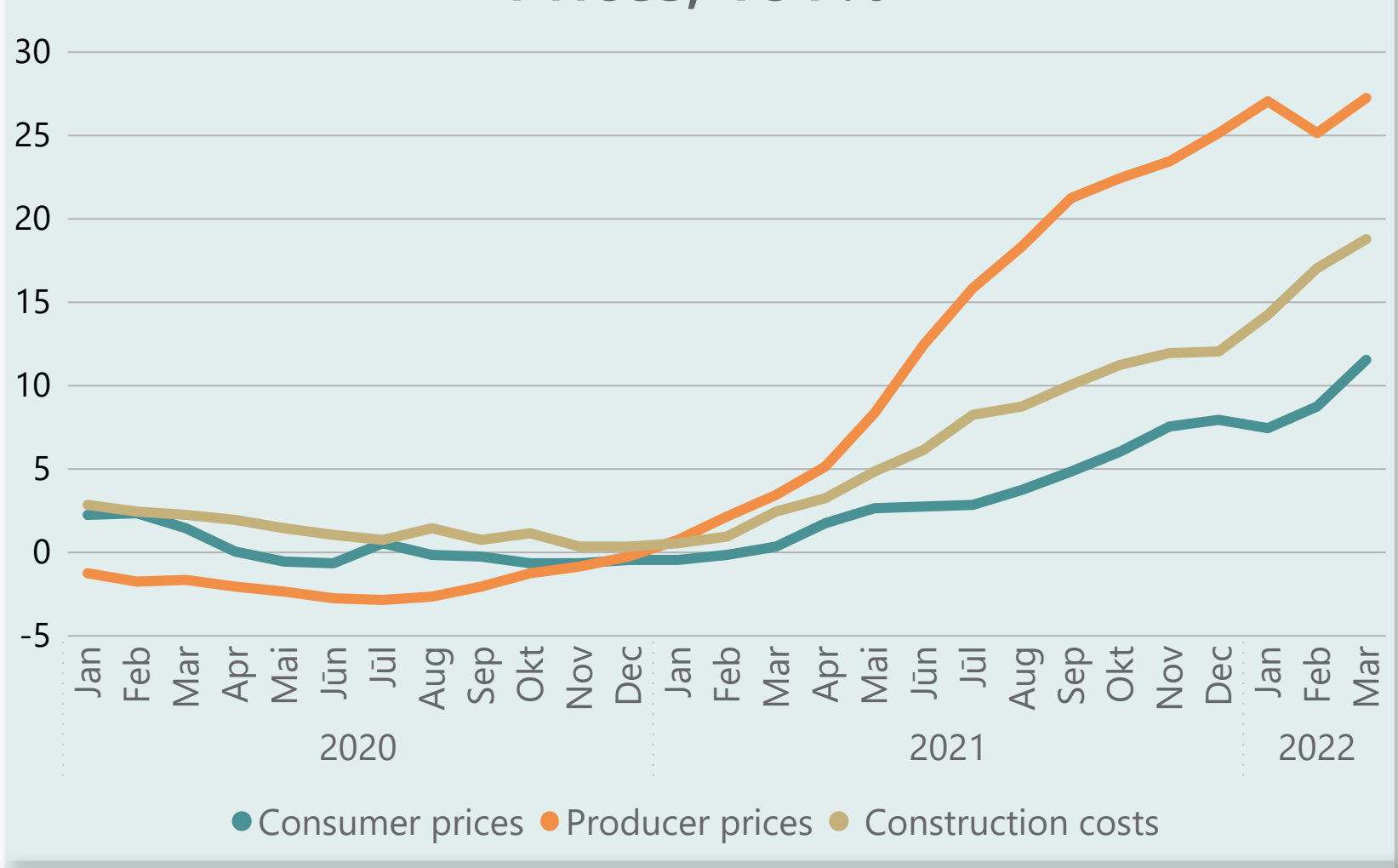
27,2 %

March 2022

Consumer prices, YoY%



Prices, YoY%



Source: CSB

EMPLOYMENT

Unemployment (registered)

6,8 %

March 2022

Unemployment (Labour force survey)

7,4 %

March 2022

Wage (private sector)

1 318 €

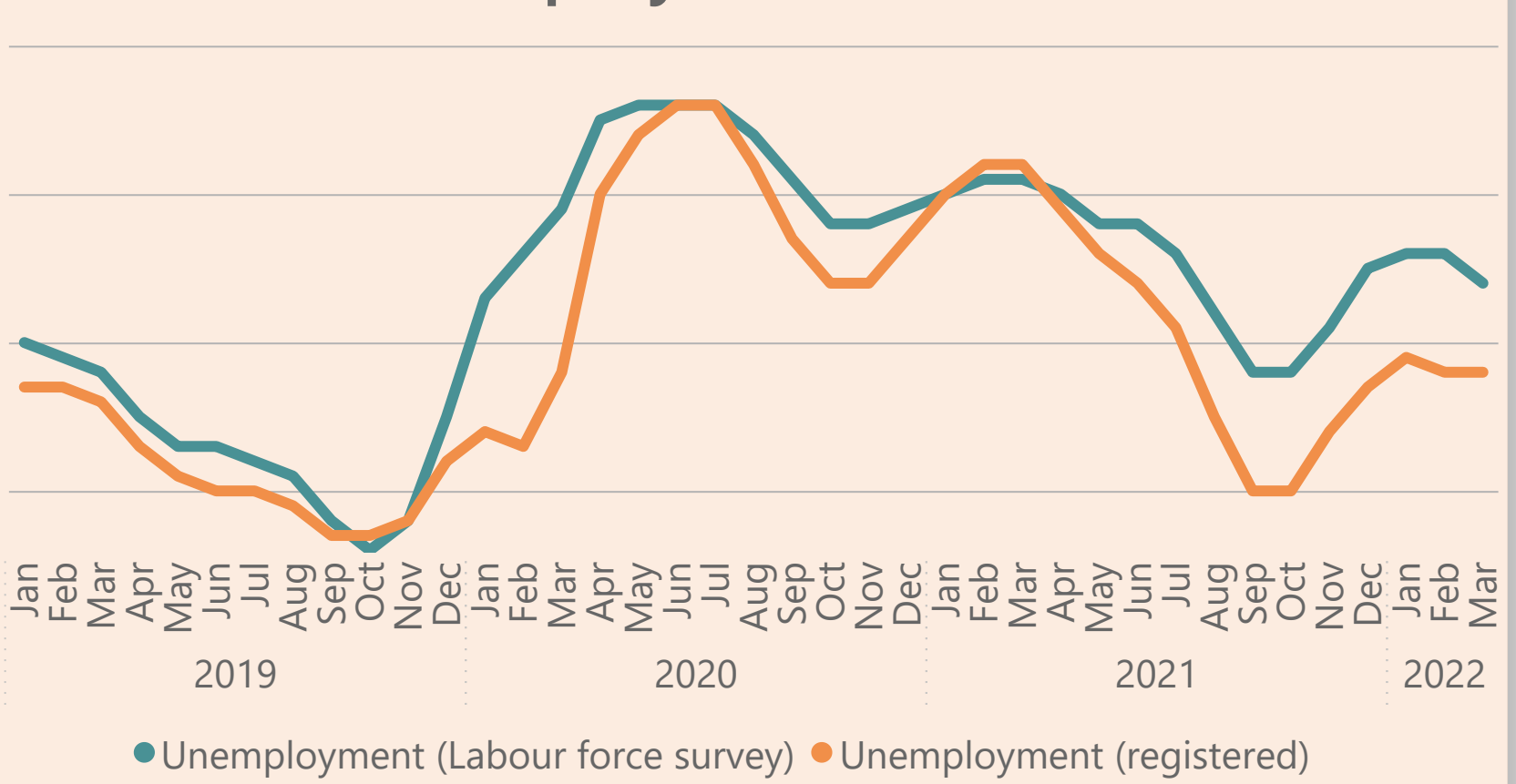
4Q 2021

Wage (public sector)

1 384 €

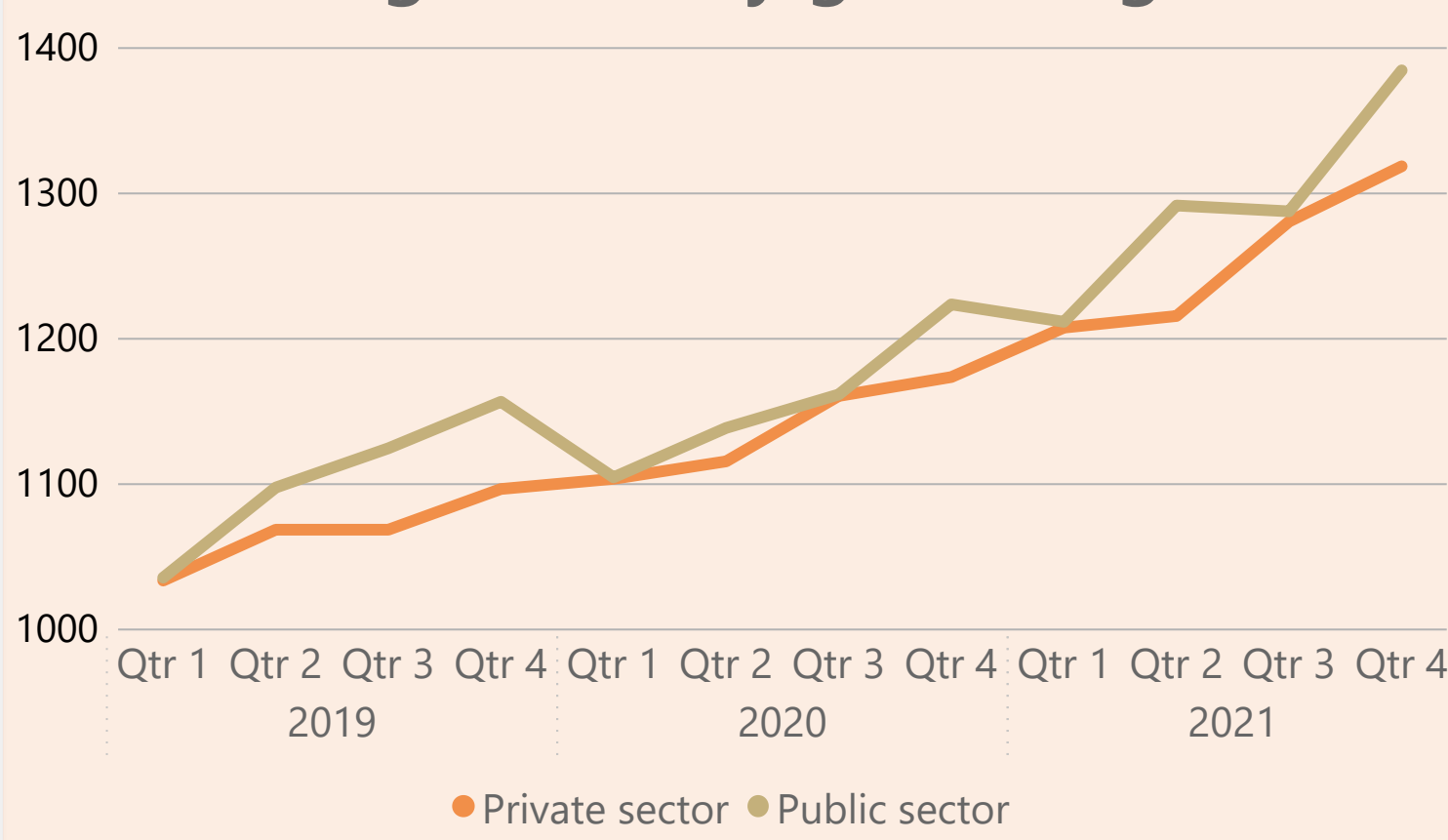
4Q 2021

Unemployment rate, %



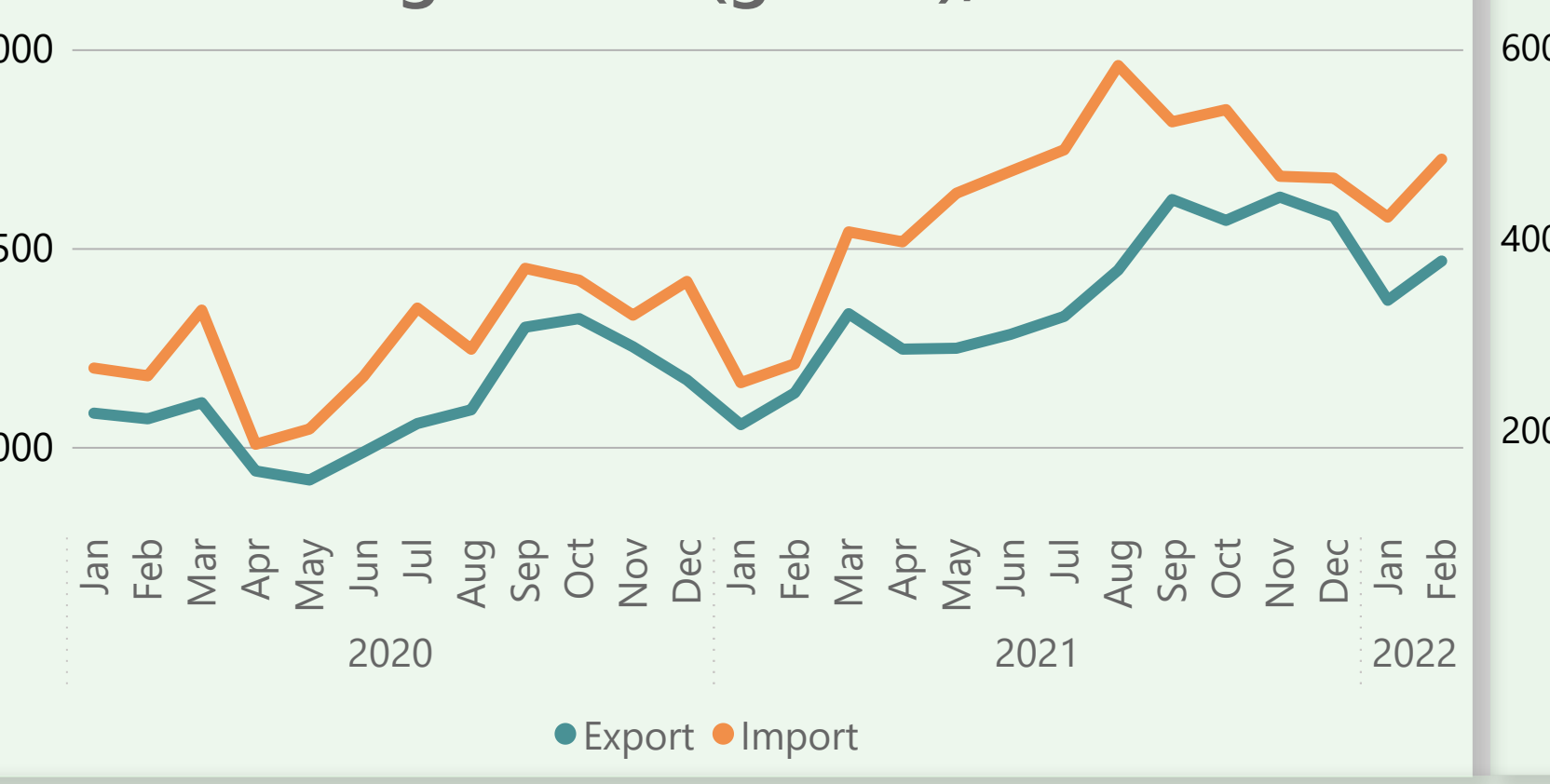
Source: CSB, State Employment Agency

Average monthly gross wage, €



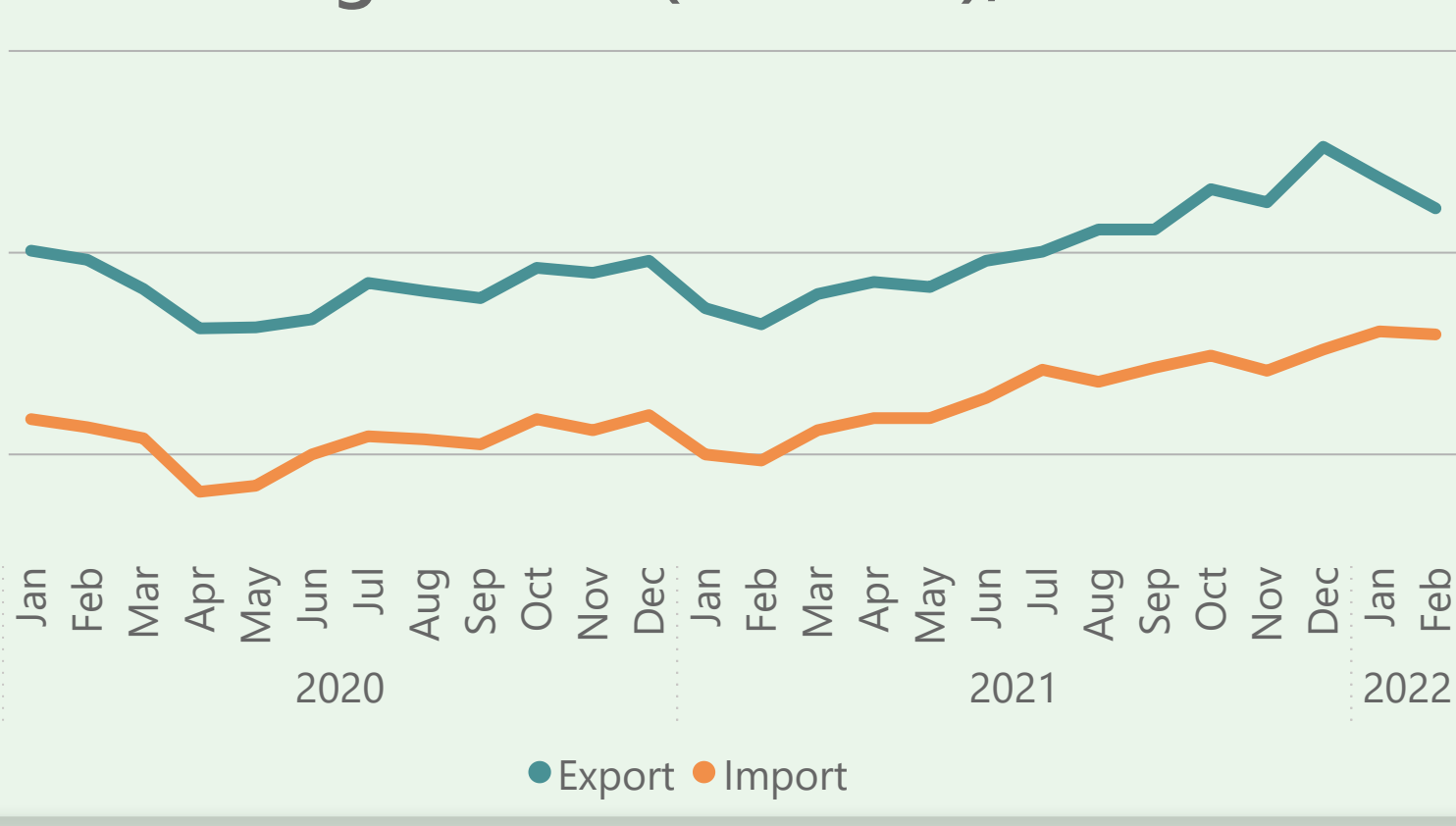
FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB

Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2021

2021

-7,3% of GDP

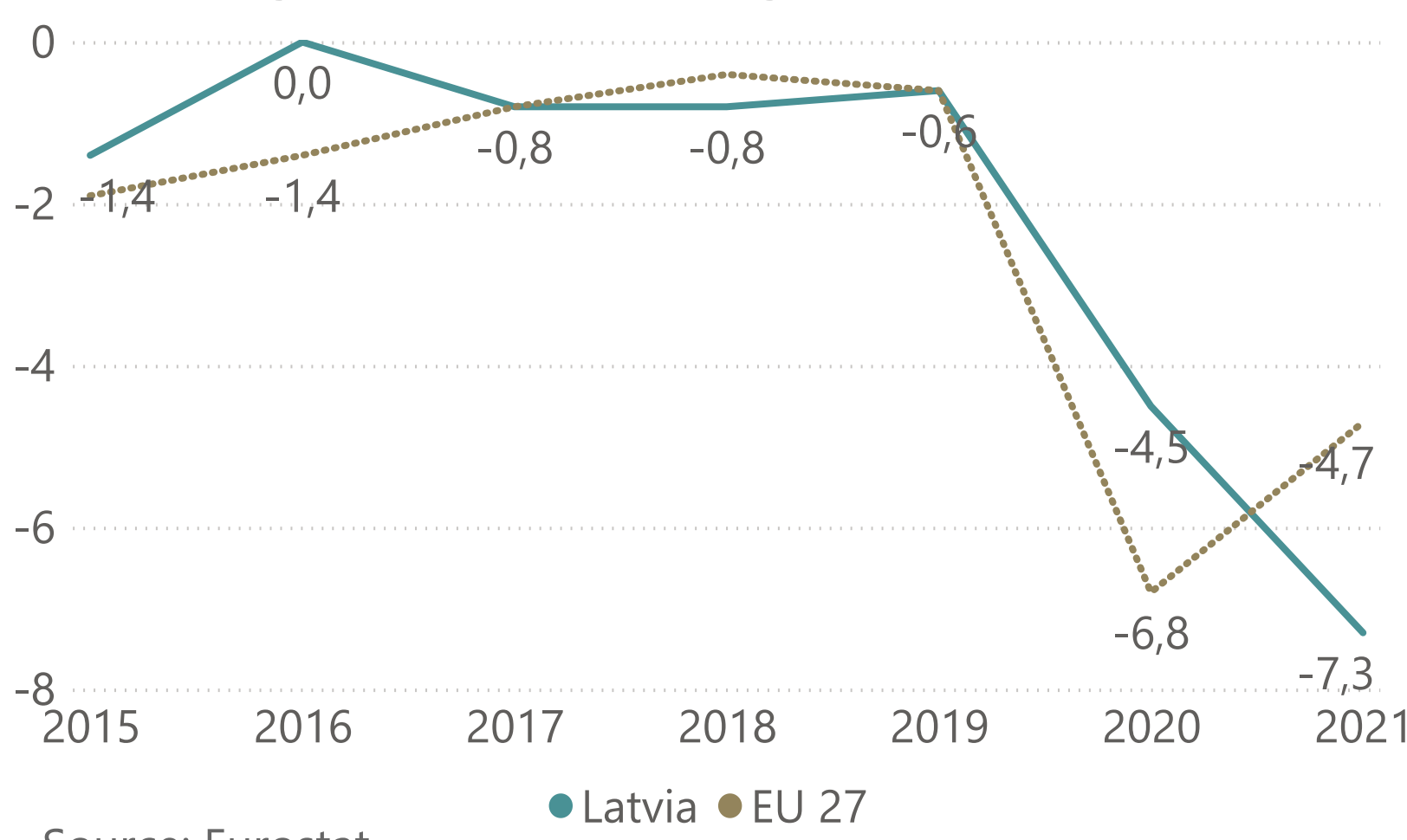
Eurostat, April 2022

General government debt 2021

44,8% of GDP

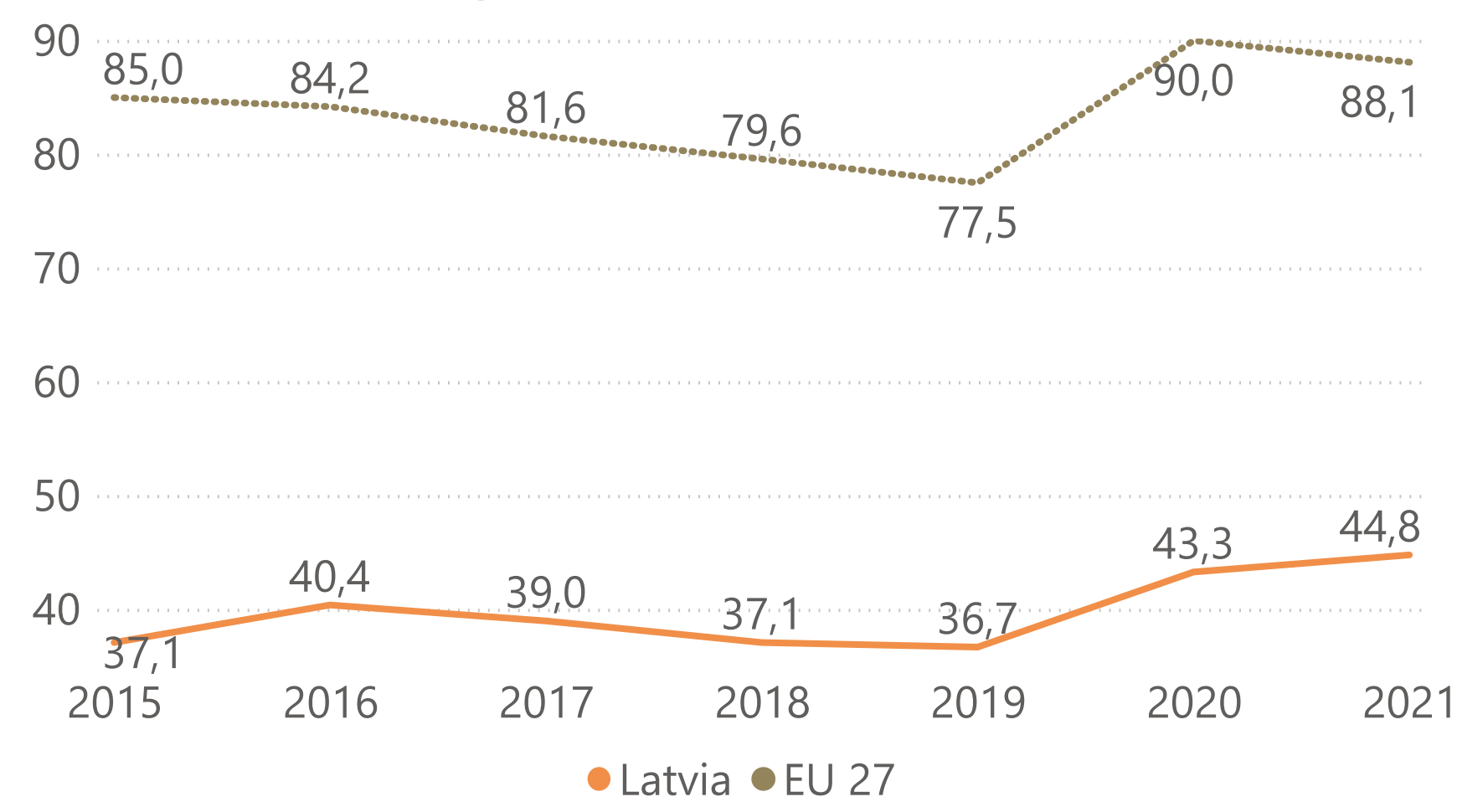
Eurostat, April 2022

General government budget balance, % of GDP



Source: Eurostat.

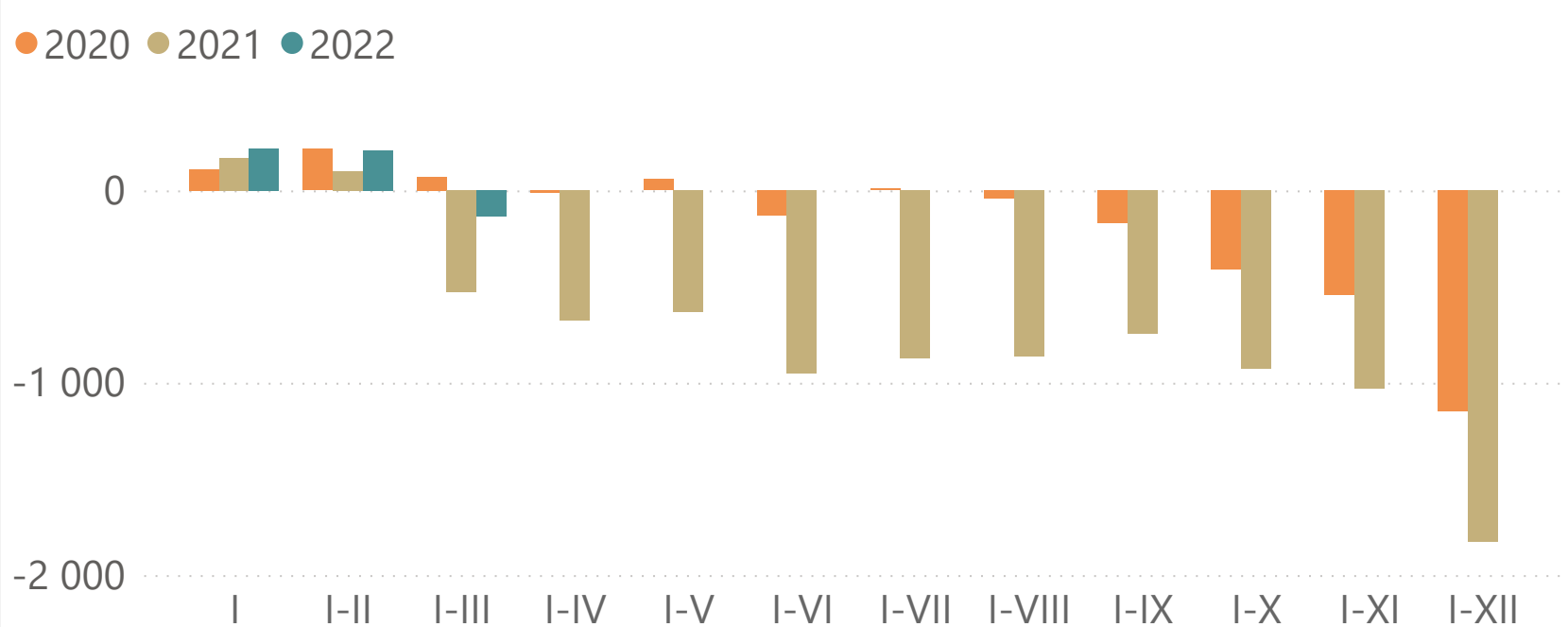
General government debt, % of GDP



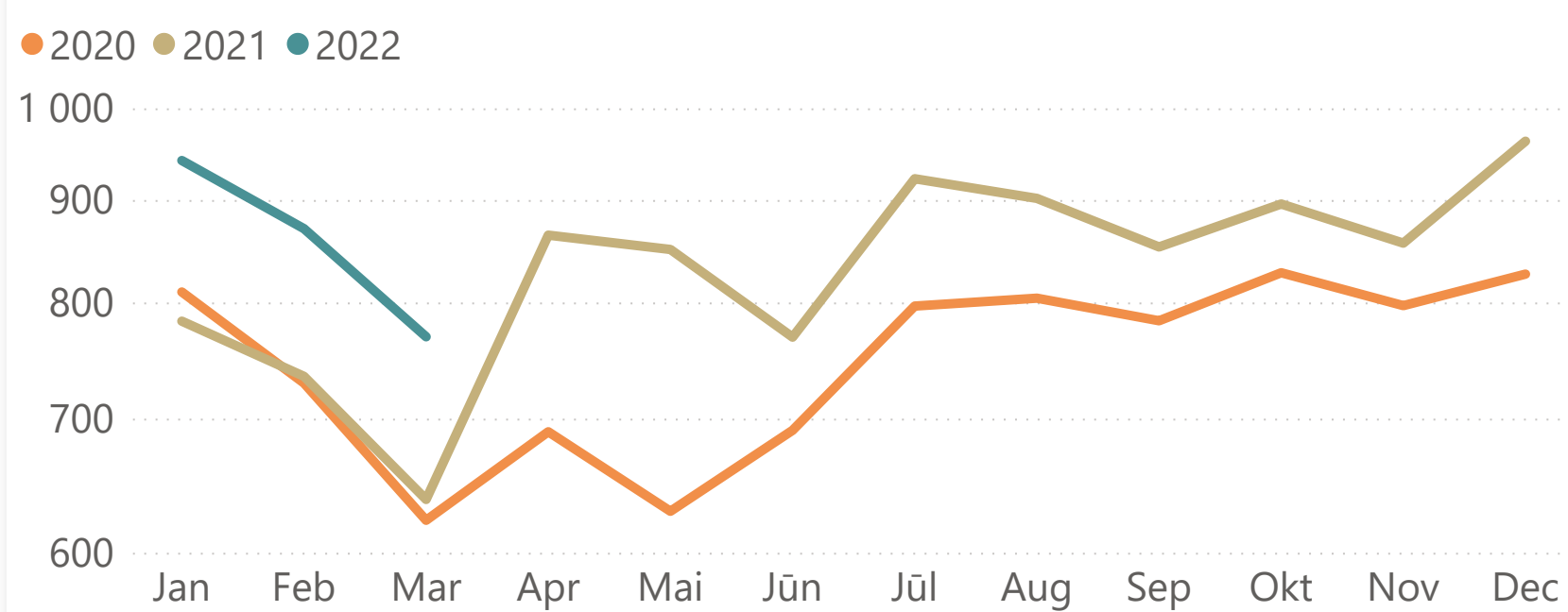
Latvia EU 27

GENERAL GOVERNMENT BUDGET IN FIRST THREE MONTH 2022 ON CASH BASES

General government budget balance, mln €



General government budget tax revenue, mln €



Source: Treasury. General government budget tax revenue including revenue in the single tax account (STA balance in the end of February was -61,4 mln euro).

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	3 292,7	487,5	17,4%
Expenditure	3 428,4	97,0	2,9%
Balance	-135,7	390,5	

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
SSC	883,0	279,2	46,2%
VAT	759,7	164,2	27,6%
PIT	479,8	129,9	37,1%
EXT	263,4	24,3	10,2%
CIT	84,3	39,4	87,8%

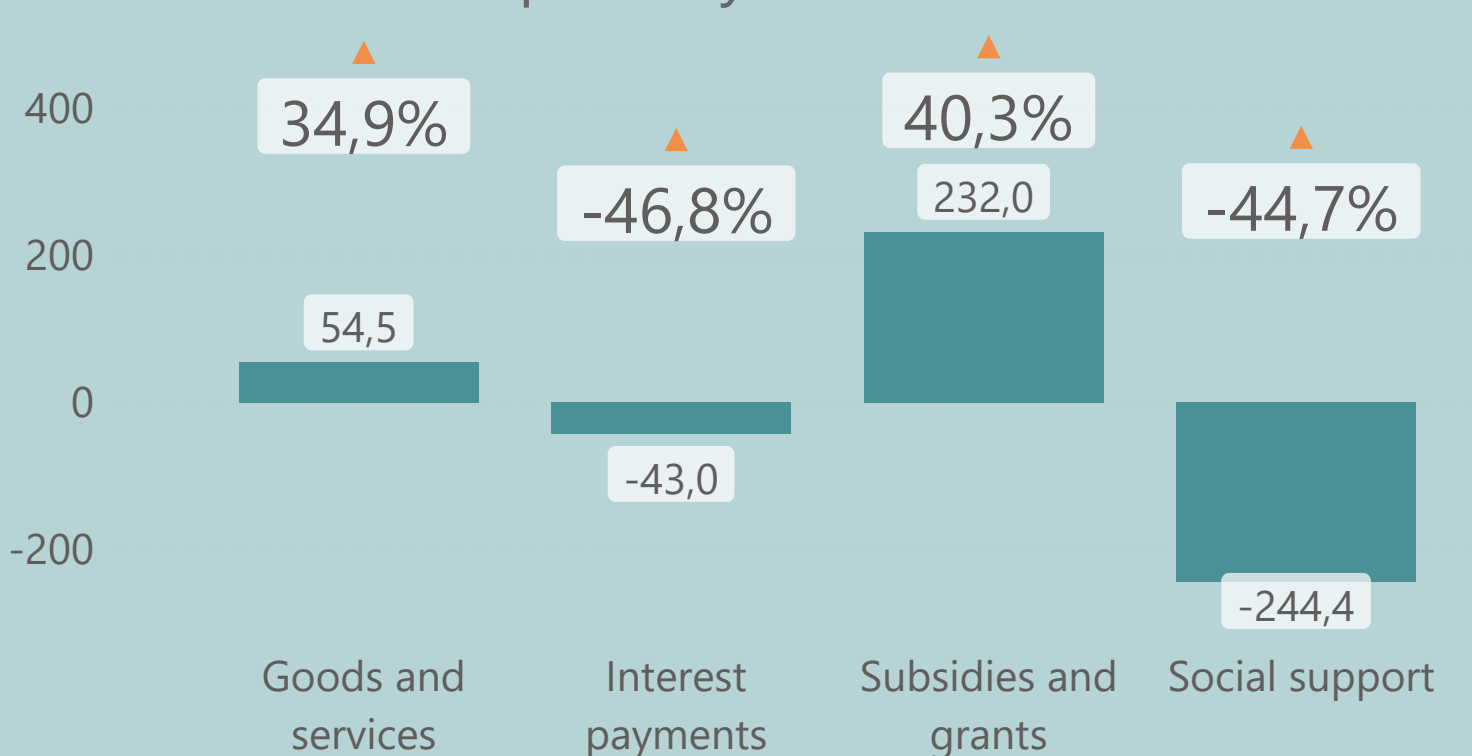
Revenue and expenditure

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	2 581,7	425,9	19,8%
Non tax revenue	169,0	57,2	51,2%
Foreign financial assistance	430,8	-12,8	-2,9%
Expenditure			
Remuneration	613,2	5,1	0,8%
Goods and services	399,0	89,8	29,0%
Interest payments	57,3	-43,5	-43,2%
Subsidies and grants	869,5	239,8	38,1%
Social support	1 218,0	-171,9	-12,4%
Capital expenditure	148,4	-11,5	-7,2%

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 842,0	153,9	9,1%
Expenditure	2 243,4	1,7	0,1%
Balance	-401,3	152,2	

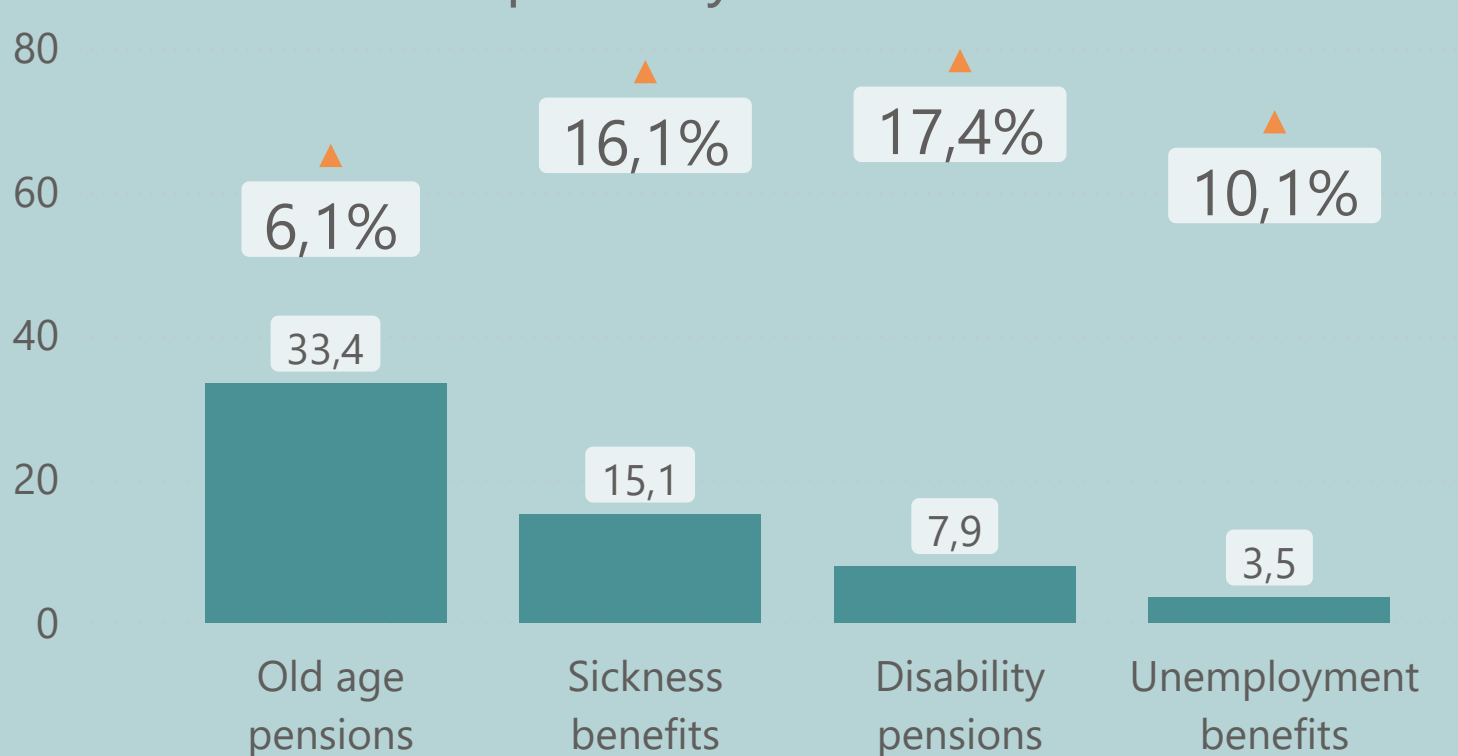
Major changes in mln € and % against respective period year before



STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	956,1	296,9	45,0%
Expenditure	877,9	64,6	7,9%
Balance	78,1	232,3	

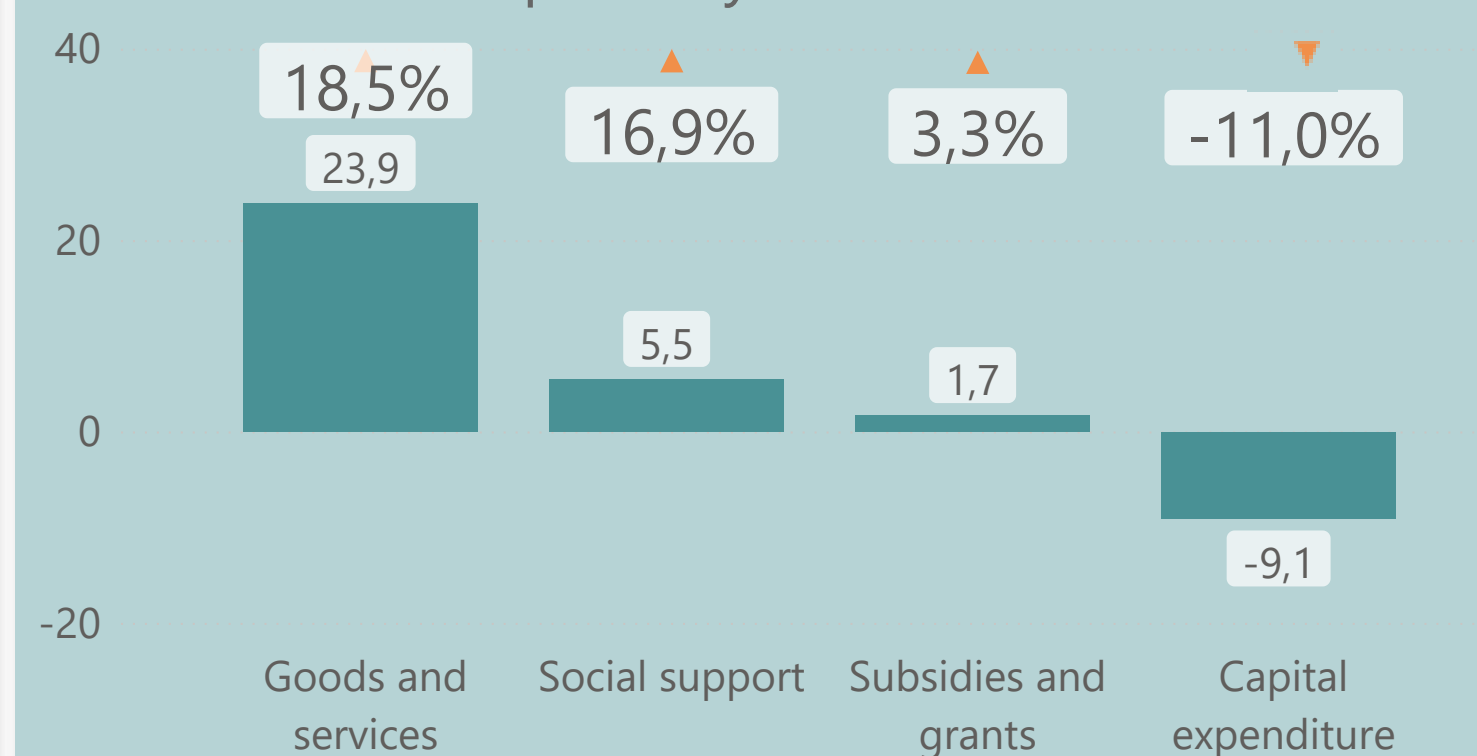
Major changes in mln € and % against respective period year before



LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	753,9	24,8	3,4%
Expenditure	608,4	16,1	2,7%
Balance	145,5	8,6	

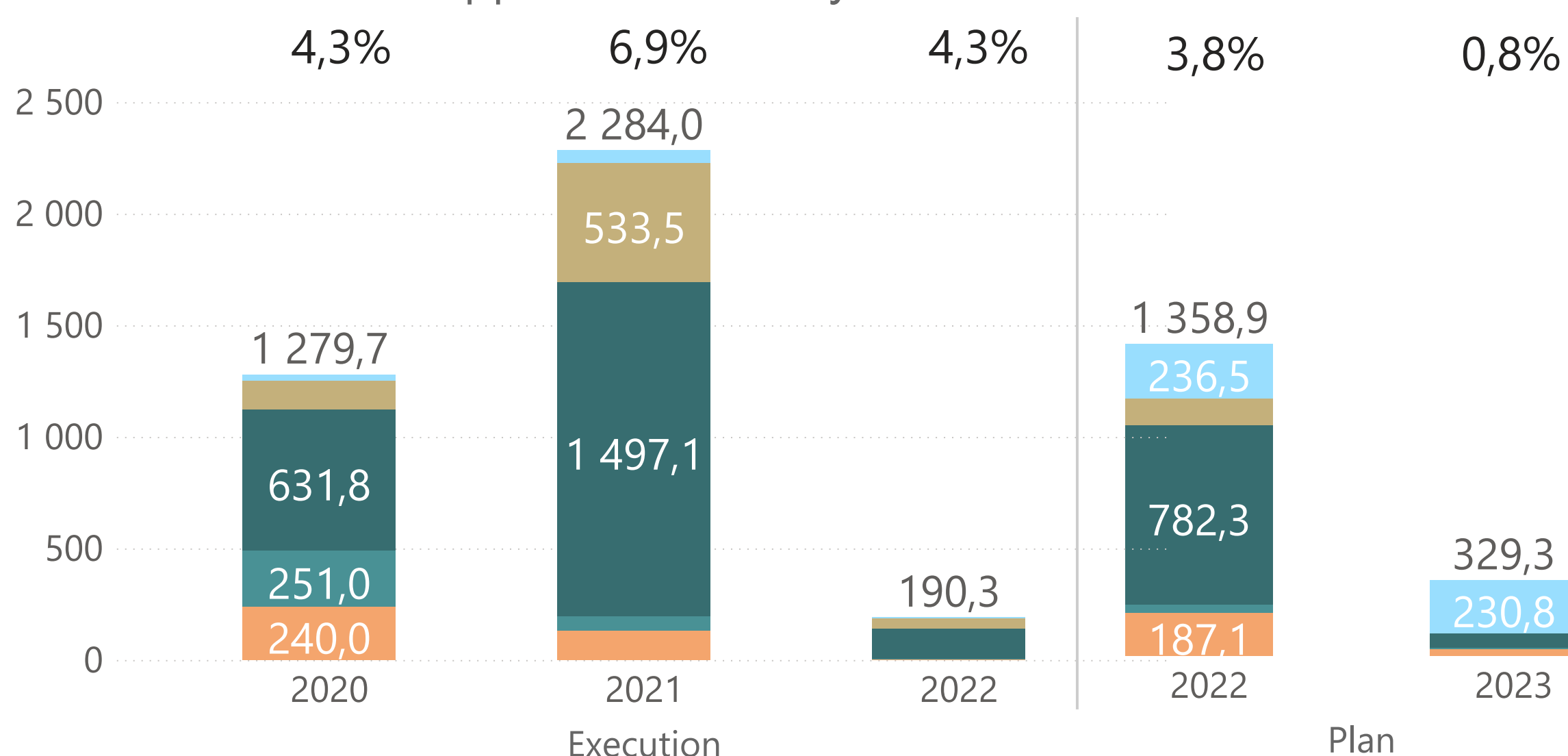
Major changes in mln € and % against respective period year before



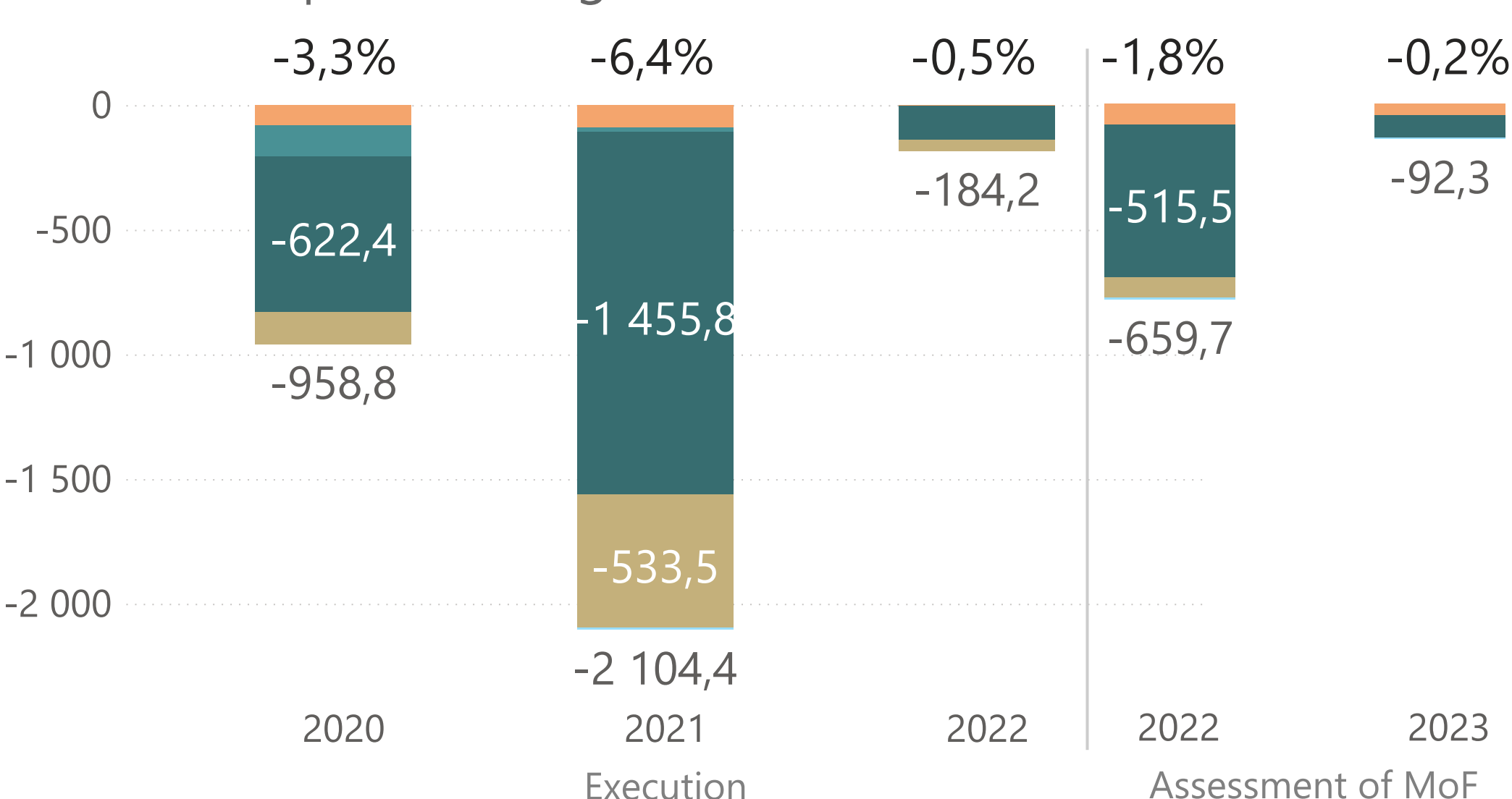
YoY - changes in mln euro against respective period year before
YoY% - changes in per cent against respective period year before

COVID-19 SUPPORT

Total support to economy, mln € and % of GDP



Impact on budget balance, mln € and % of GDP



Loans and guarantees In the field of taxation Sectoral support Benefits Restructuring of EU funds

Source: Execution as of April 10, 2022 according to the data from the State Treasury, State Revenue Service, ALTUM, State Social Insurance Agency, ministries etc. Plan according to the government decisions till March 20th, 2022.