

GROSS DOMESTIC PRODUCT (GDP)

GDP 2022

39 081 mln €

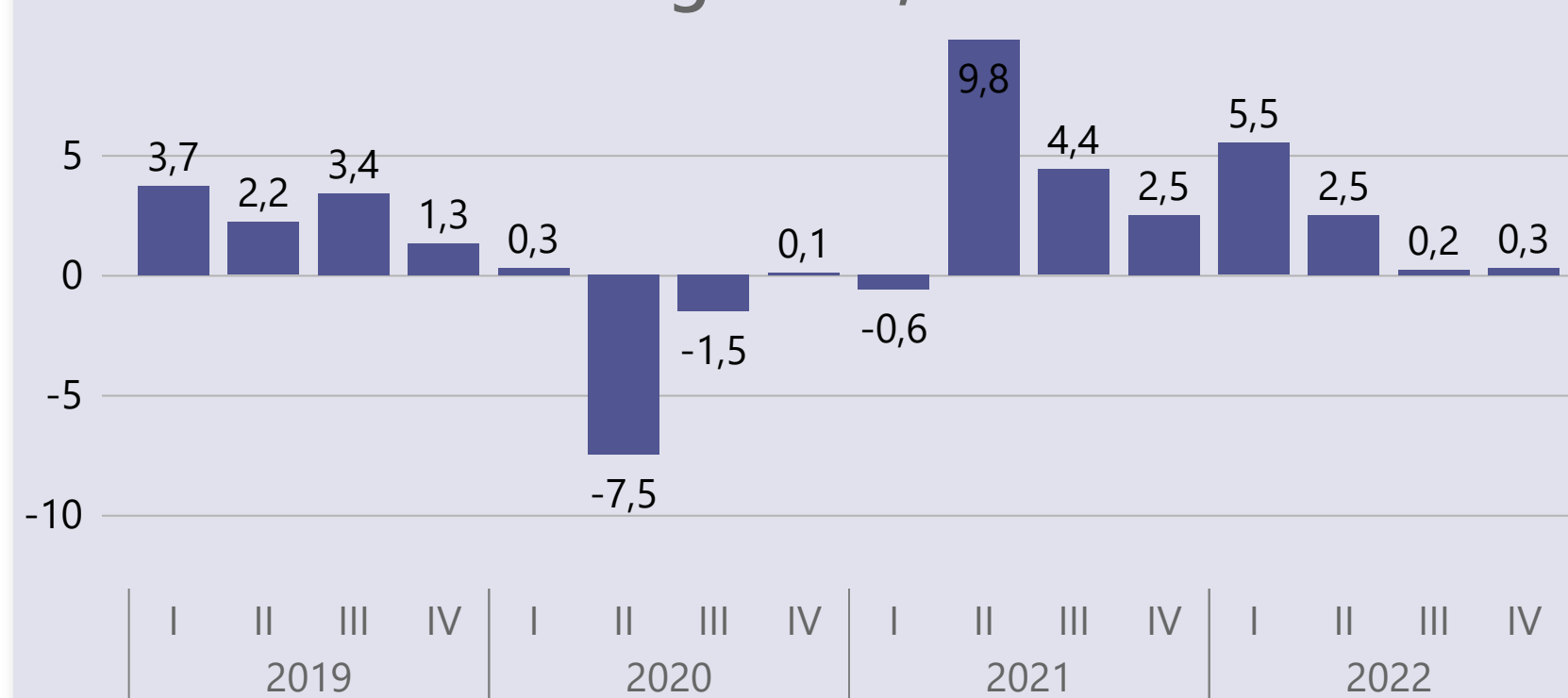
CSB, 28.02.2023.

GDP growth 2023

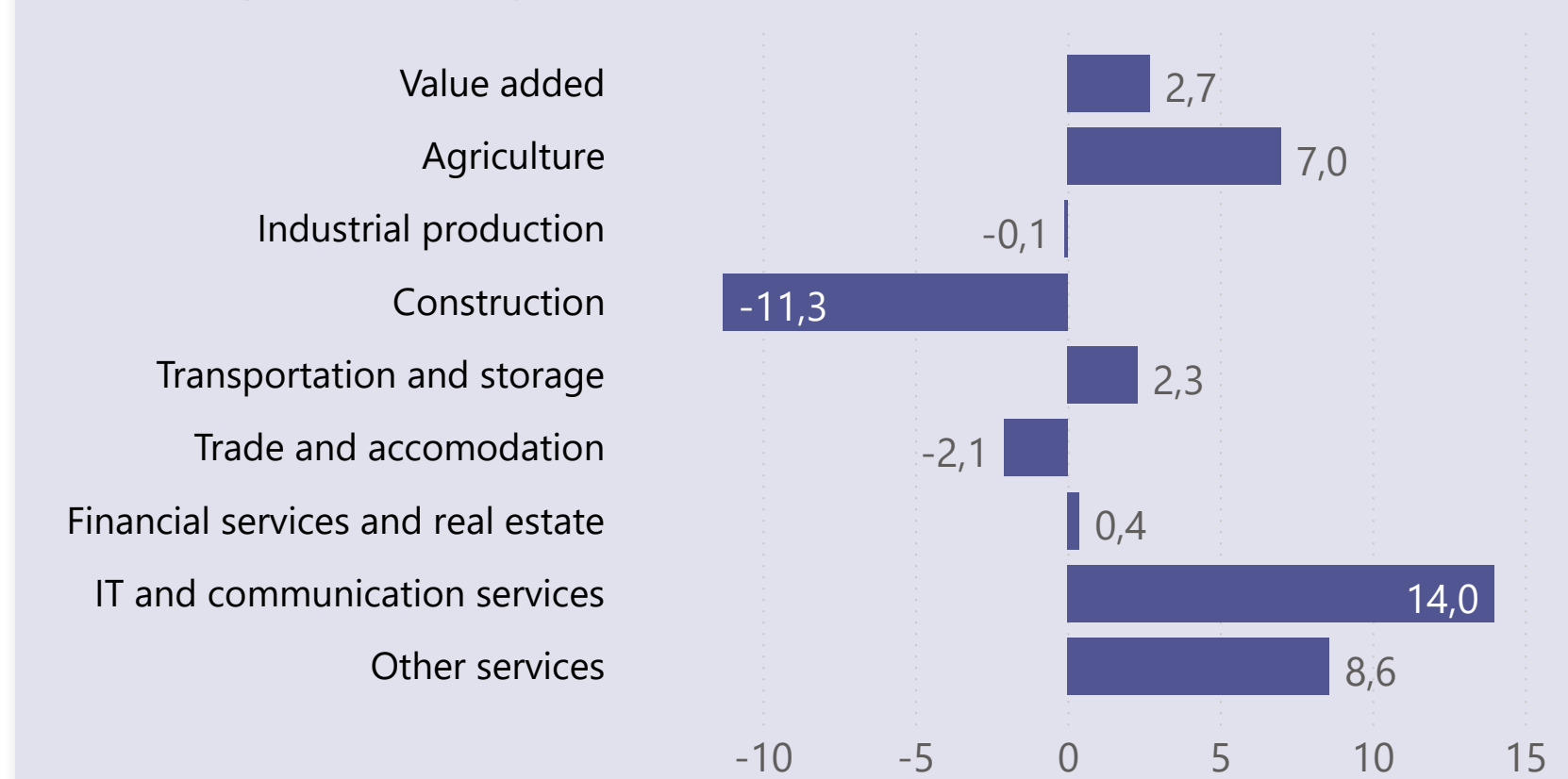
0,0%

MoF forecast, February 2023

GDP growth, YoY%

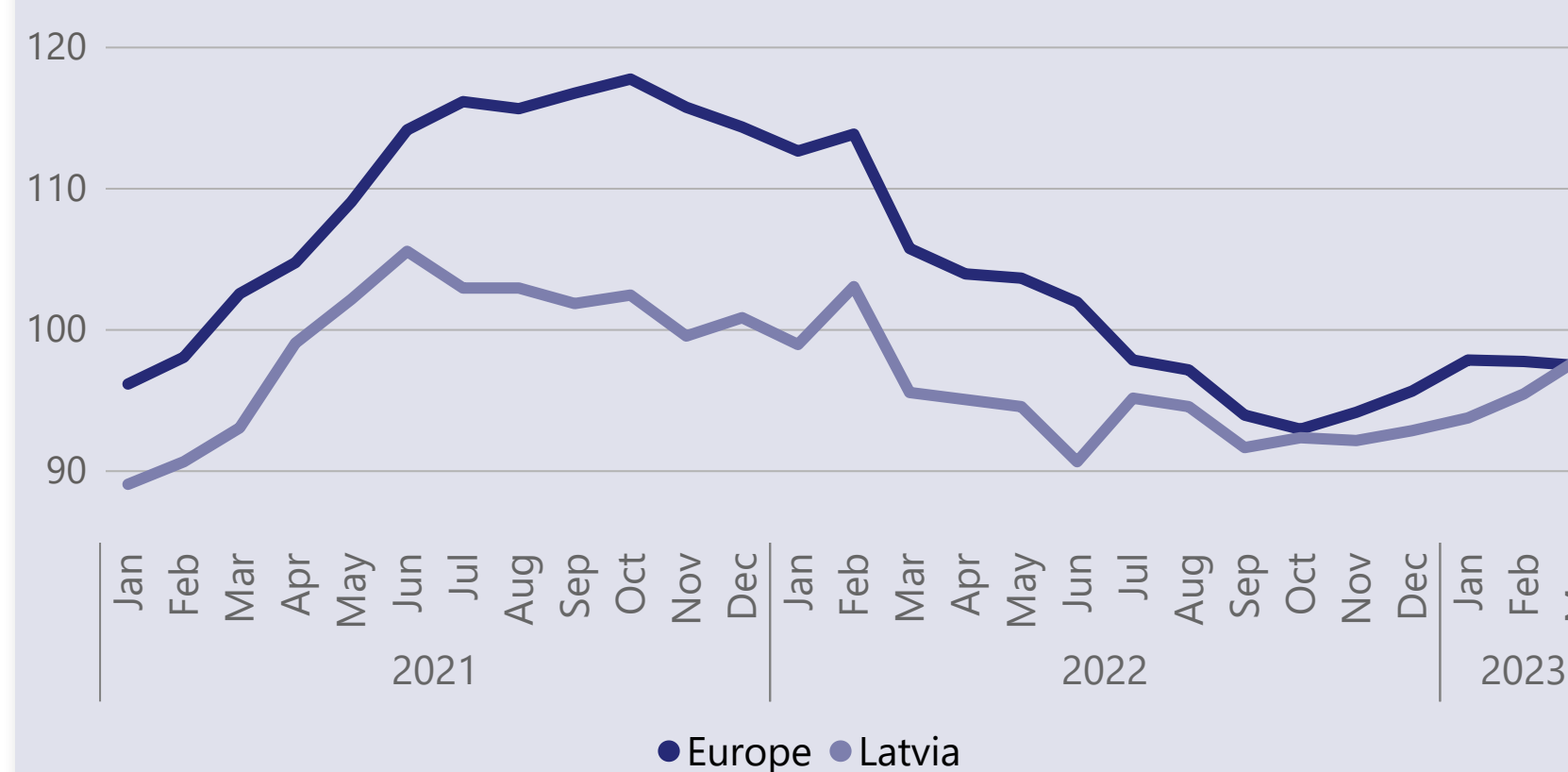


GDP growth by sectoral breakdown (2022/2021)



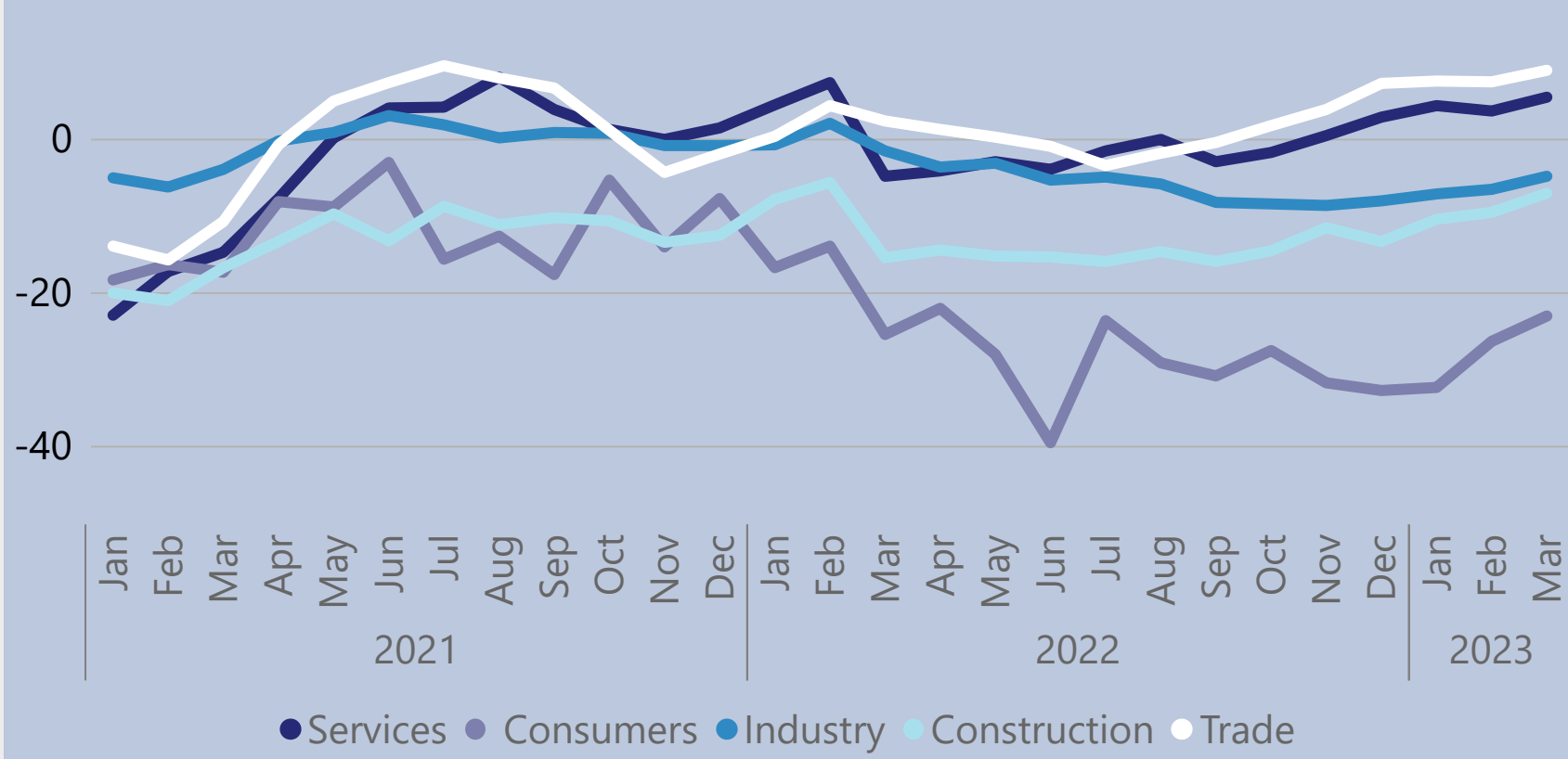
Source: Central Statistical Bureau(CSB); comparable prices

Economic confidence



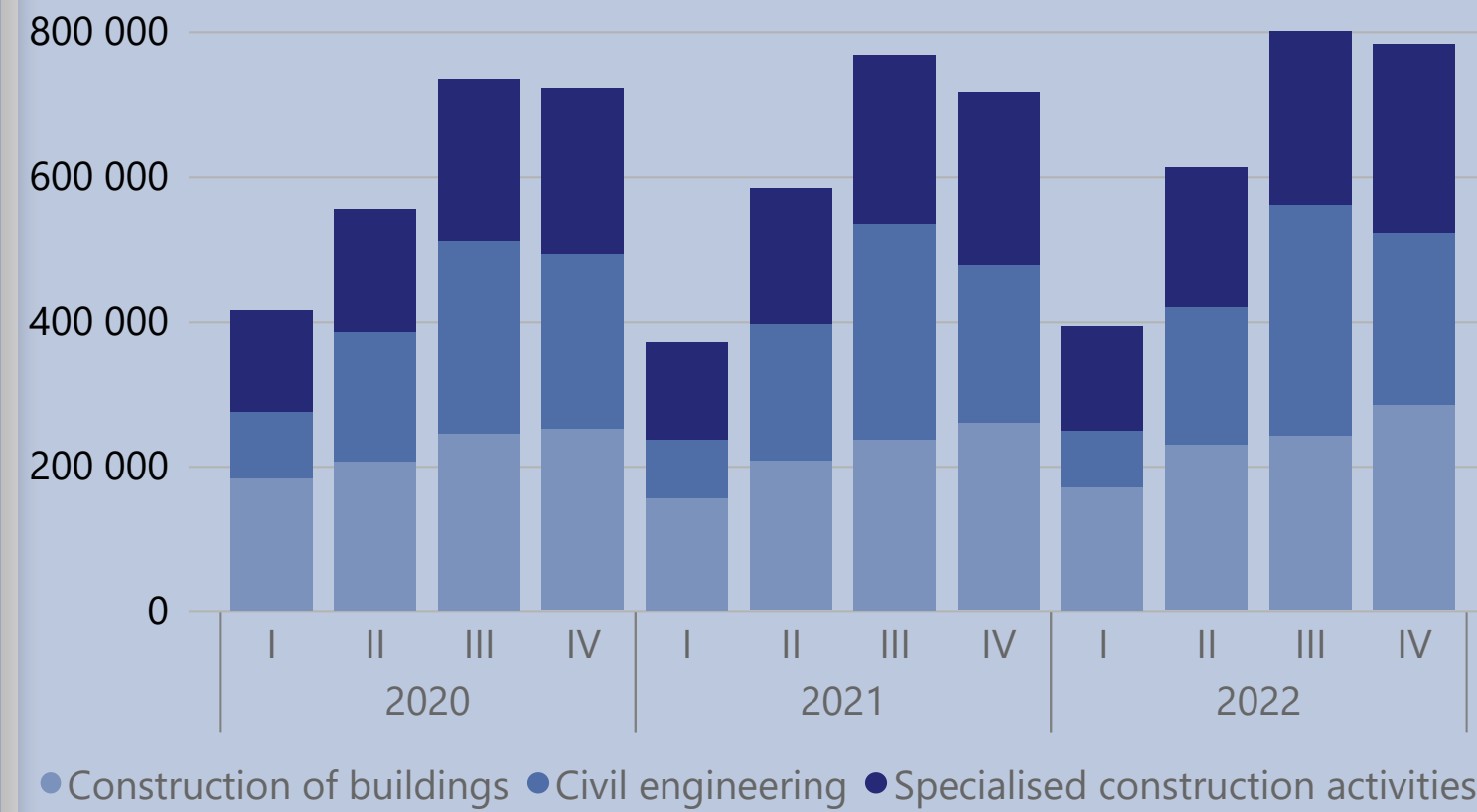
Source: European Commission

ESI Sector Confidence Index in Latvia



Source: CSB, European Commission

Construction output at constant prices, thsd €



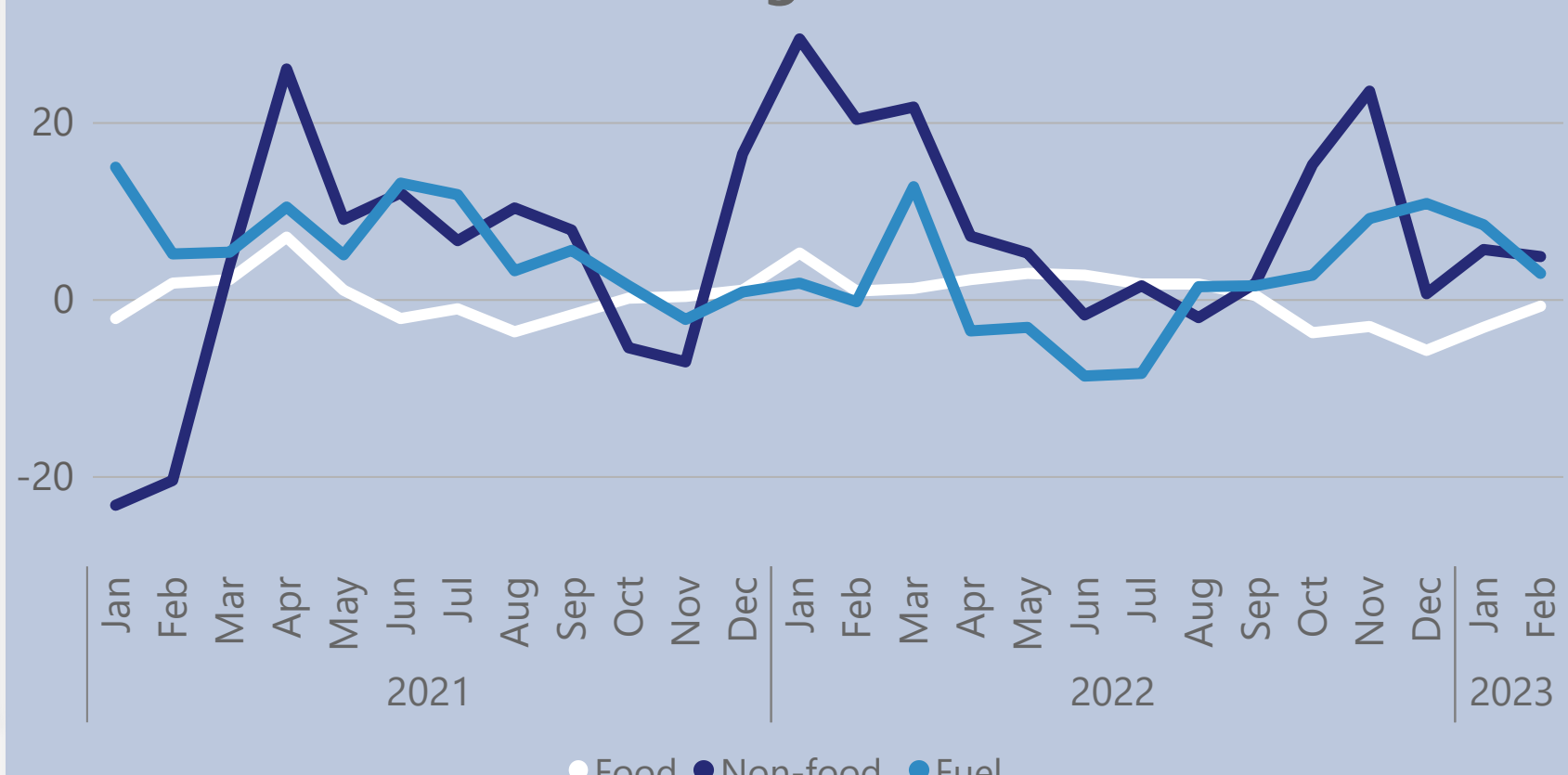
MAIN MACROECONOMIC INDICATORS

Indicator	2017	2018	2019	2020	2021	2022	2023*	2024*	2025*	2026*
Nominal GDP growth, %	6,4	8	5,2	-1,3	10,9	16,4	11,7	5,5	5,7	5,5
Real GDP growth, %	3,3	4	2,6	-2,2	4,1	2	0	2	2,9	2,8
GDP deflator, % change	2,9	3,9	2,6	1	6,5	14,1	11,7	3,4	2,7	2,7
Consumer price index, % change	2,9	2,5	2,8	0,2	3,3	17,3	10	2,2	2,5	2,5
Average monthly gross wage, EUR	926	1004	1076	1143	1277	1373	1490	1587	1666	1732
nominal growth, %	7,8	8,4	7,2	6,2	11,7	7,5	8,5	6,5	5	4
real growth, %	4,7	5,7	4,2	6	8,2	-8,4	-1,4	4,2	2,4	1,5
Number of persons employed, thsd	895	909	910	893	864	886	886	884	882	877
growth, %	0,2	1,6	0,1	-1,9	-3,2	2,6	0	-0,2	-0,3	-0,6
Unemployment rate, %	8,7	7,4	6,3	8,1	7,6	6,9	7,1	6,8	6,4	6,4

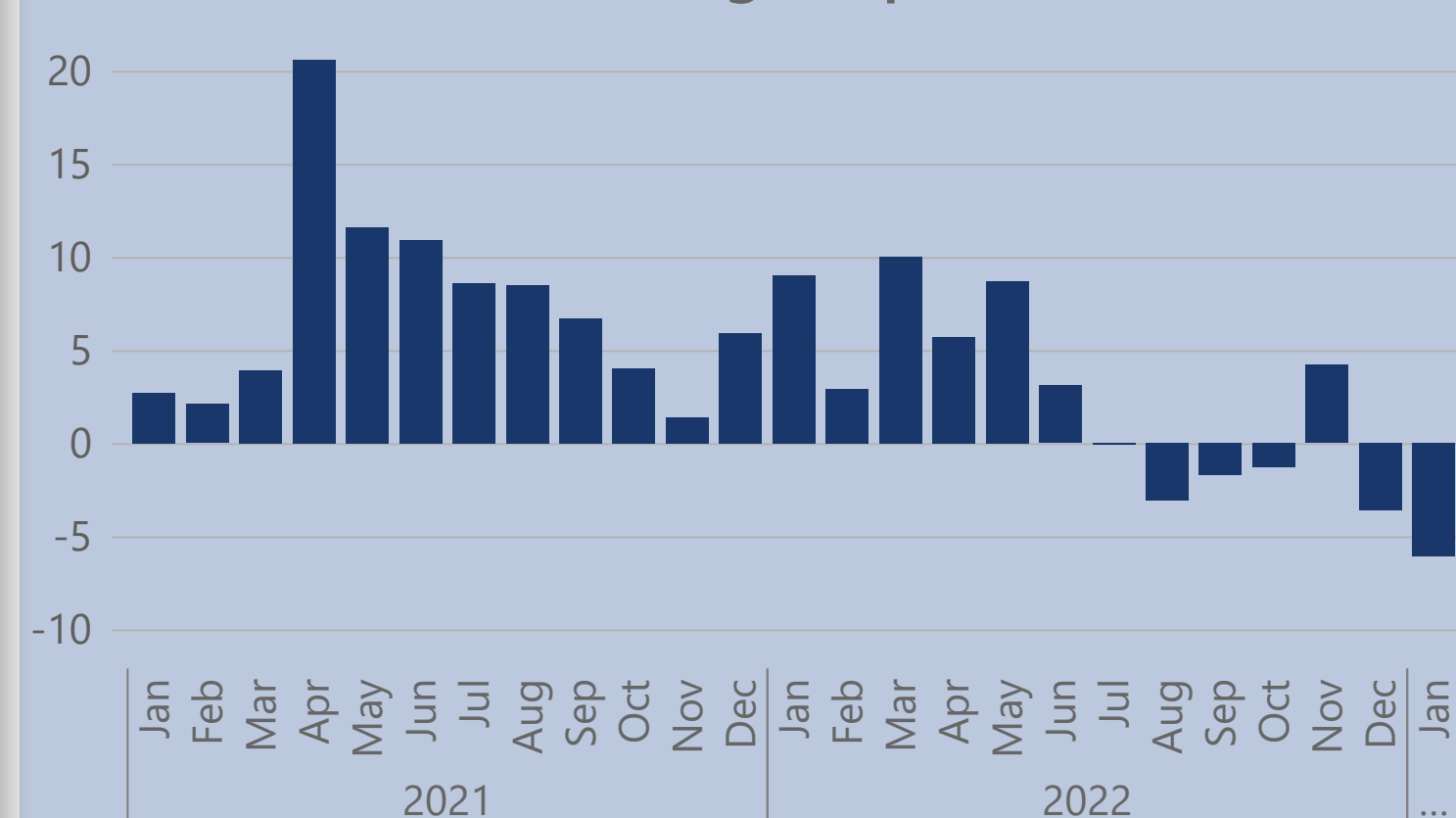
Source: CSB (01.03.2023), *forecasts of the Ministry of Finance of the Republic of Latvia (February 2023)

INDUSTRIES

Retail trade growth, YoY%



Manufacturing output, YoY%



INFLATION

Inflation

20.3%

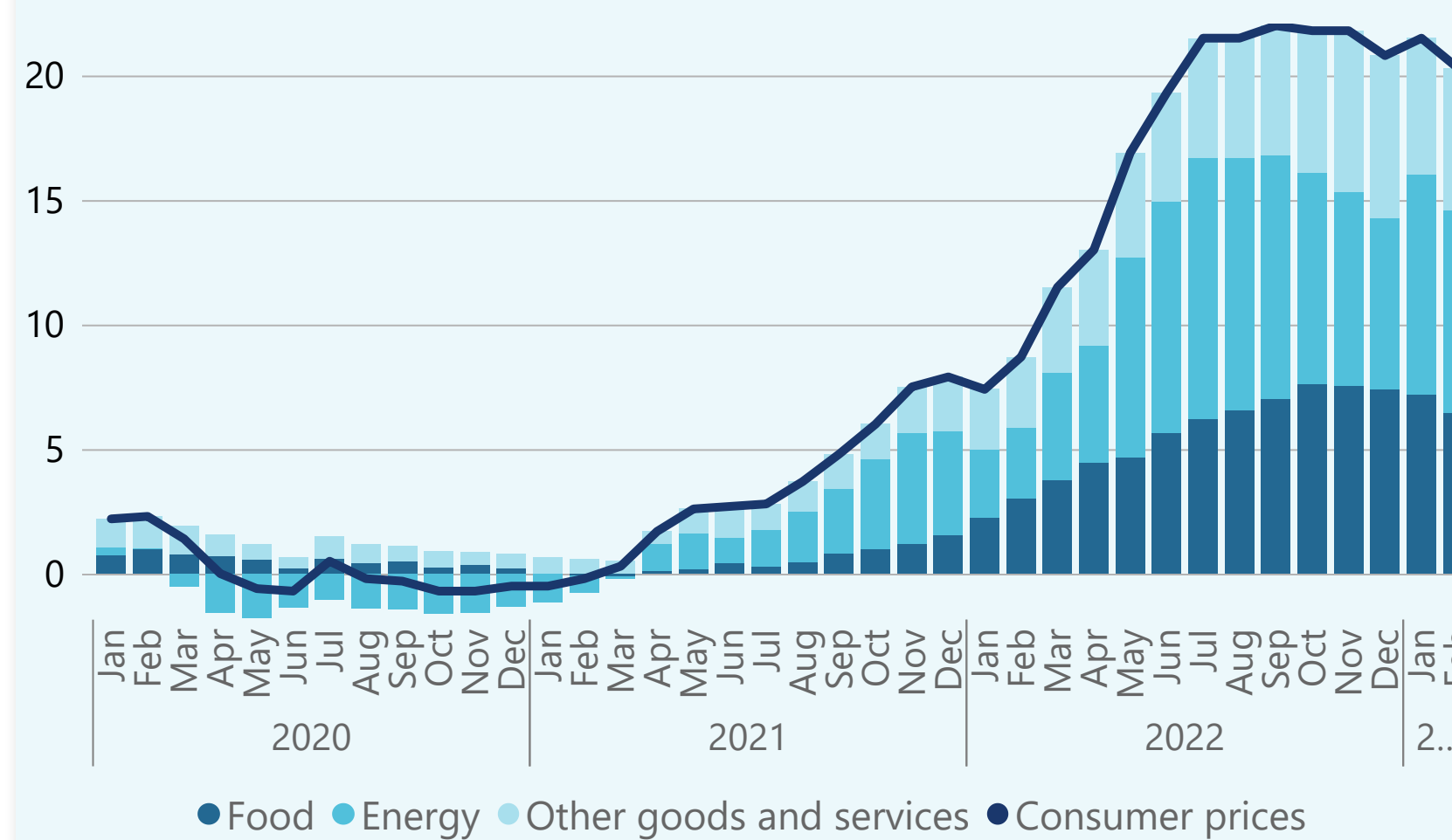
February 2023

Producer price rise

22.0%

February 2023

Consumer prices, YoY%



UNEMPLOYMENT

Registered

6.3%

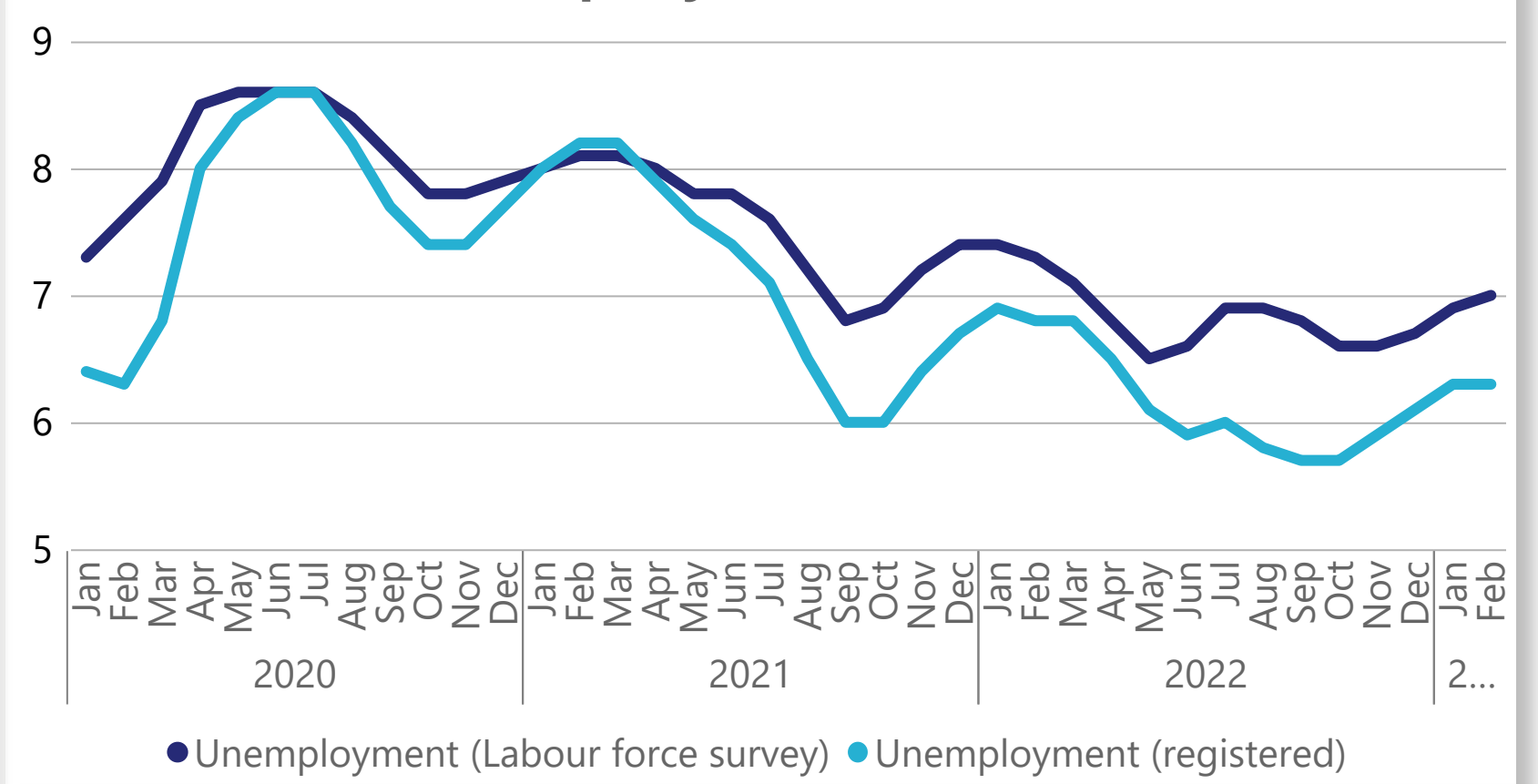
February 2023

Labour force survey

7.0%

February 2023

Unemployment rate, %



Source: CSB, State Employment Agency

WAGE

Private sector

1 441€
(+9.3% YoY)
4Q 2022

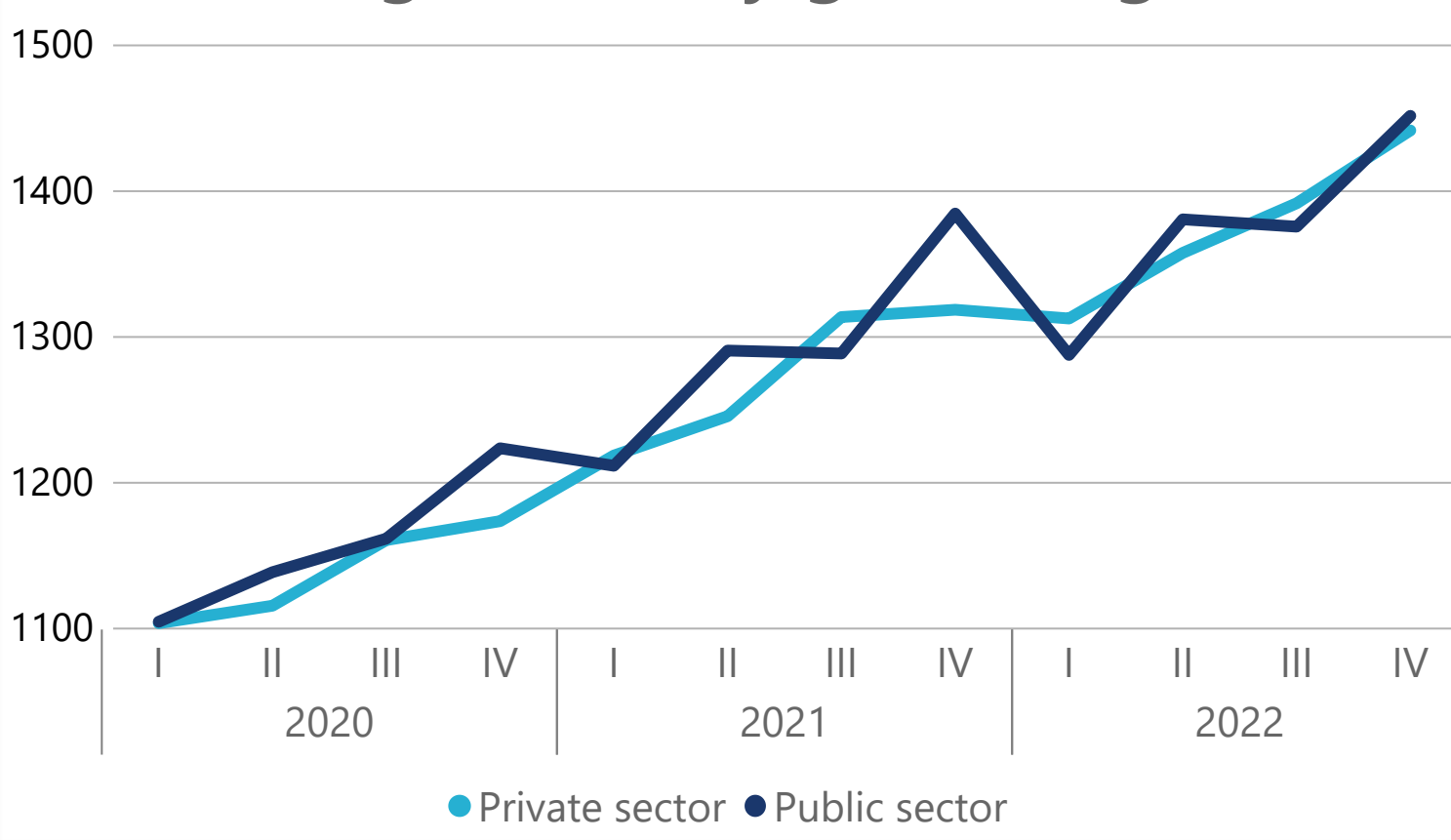
Public sector

1 451€
(+4.8% YoY)
4Q 2022

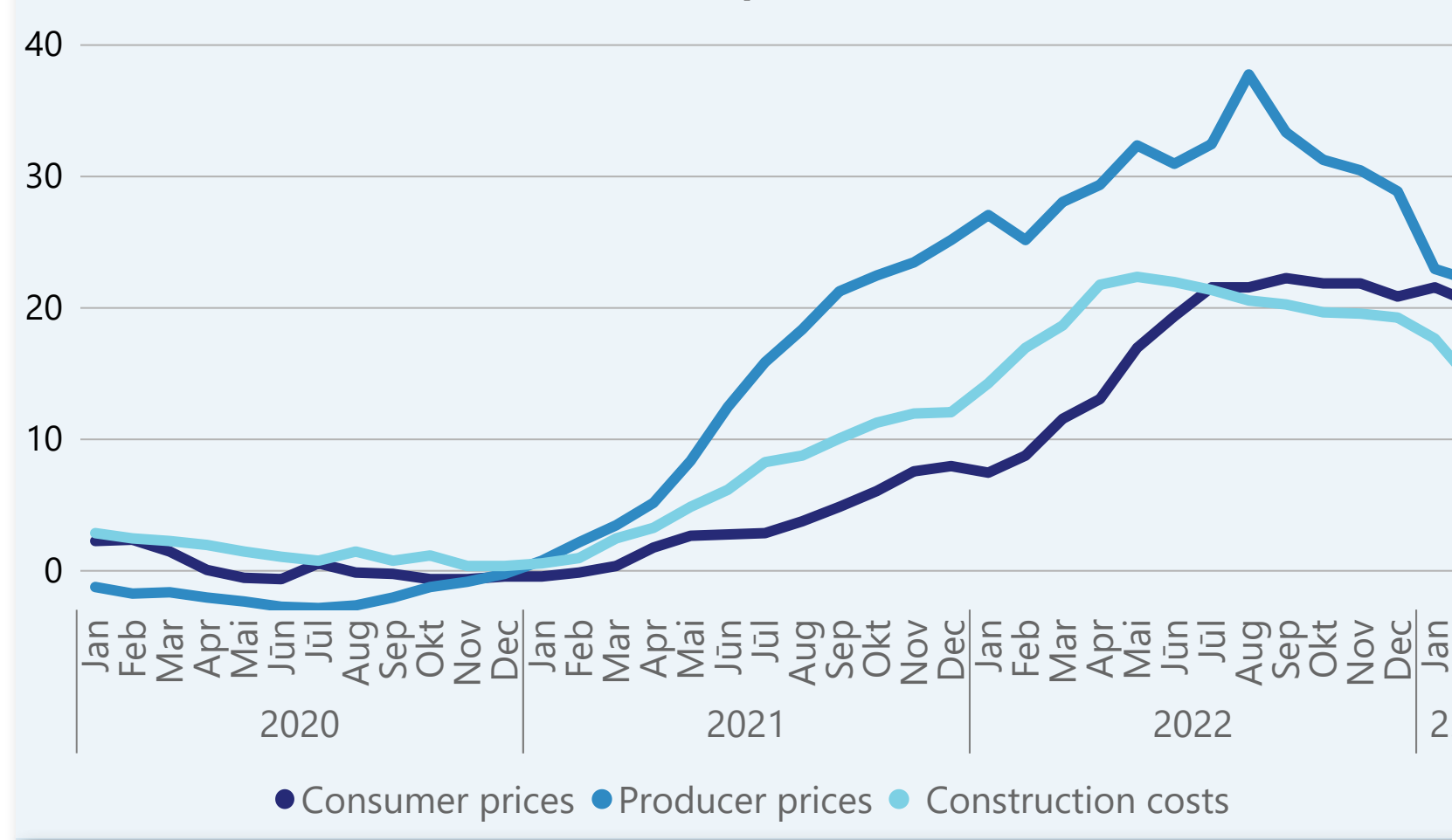
Total

1 443€
(+8.0% YoY)
4Q 2022

Average monthly gross wage, €



Prices, YoY%



Source: CSB

FOREIGN TRADE

Foreign trade (goods), mln €



Source: CSB; Bank of Latvia

Foreign trade (services), mln €



GENERAL GOVERNMENT BUDGET

General government budget balance 2023

-4.2% of GDP

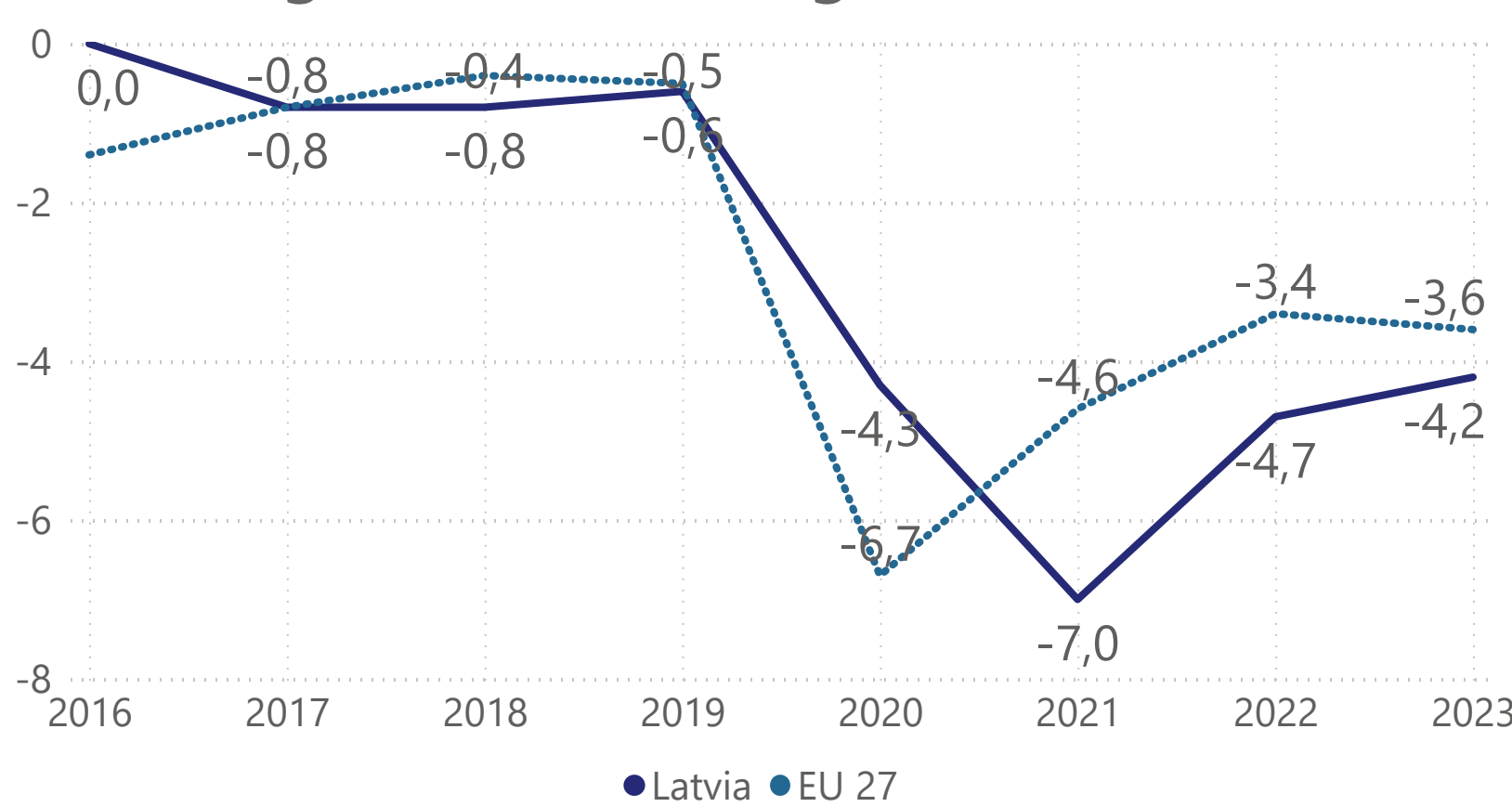
Forecast of MoF, February 2023

General government debt 2023

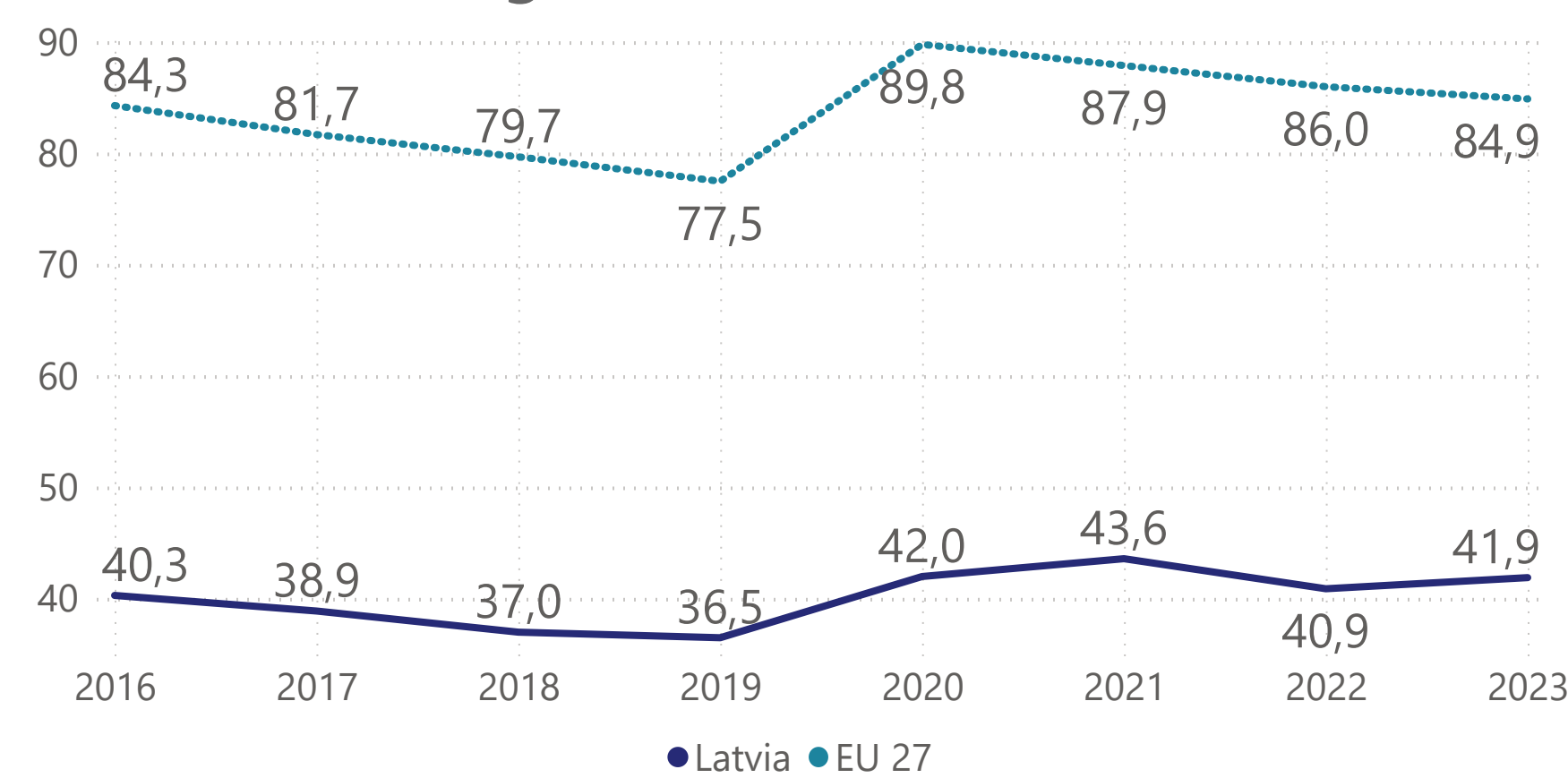
41.9% of GDP

Forecast of State Treasury, February 2023

General government budget balance, % of GDP



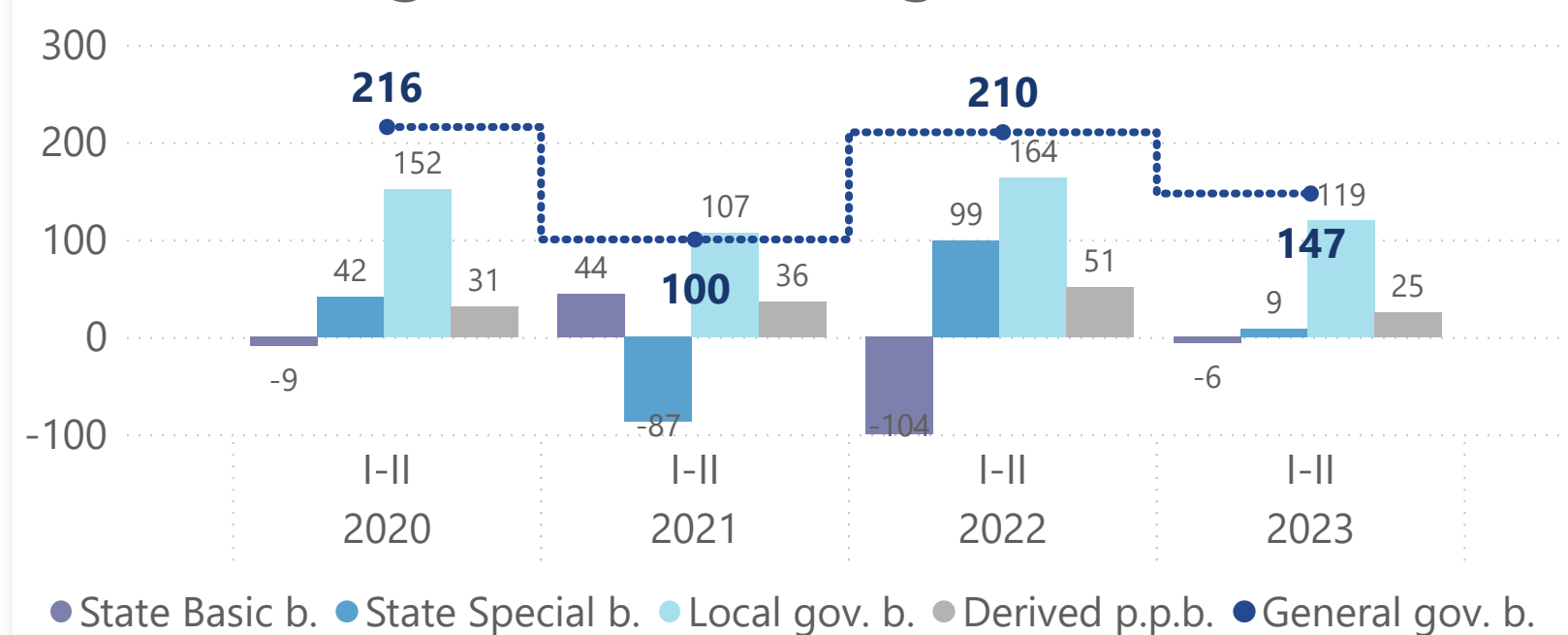
General government debt, % of GDP



Source: Eurostat, AMECO Autumn Forecast 2022, "The State budget for 2023 and the budget framework for 2023, 2024 and 2025."

GENERAL GOVERNMENT BUDGET IN JANUARY-FEBRUARY 2023 ON CASH BASIS

General government budget balance, mln €



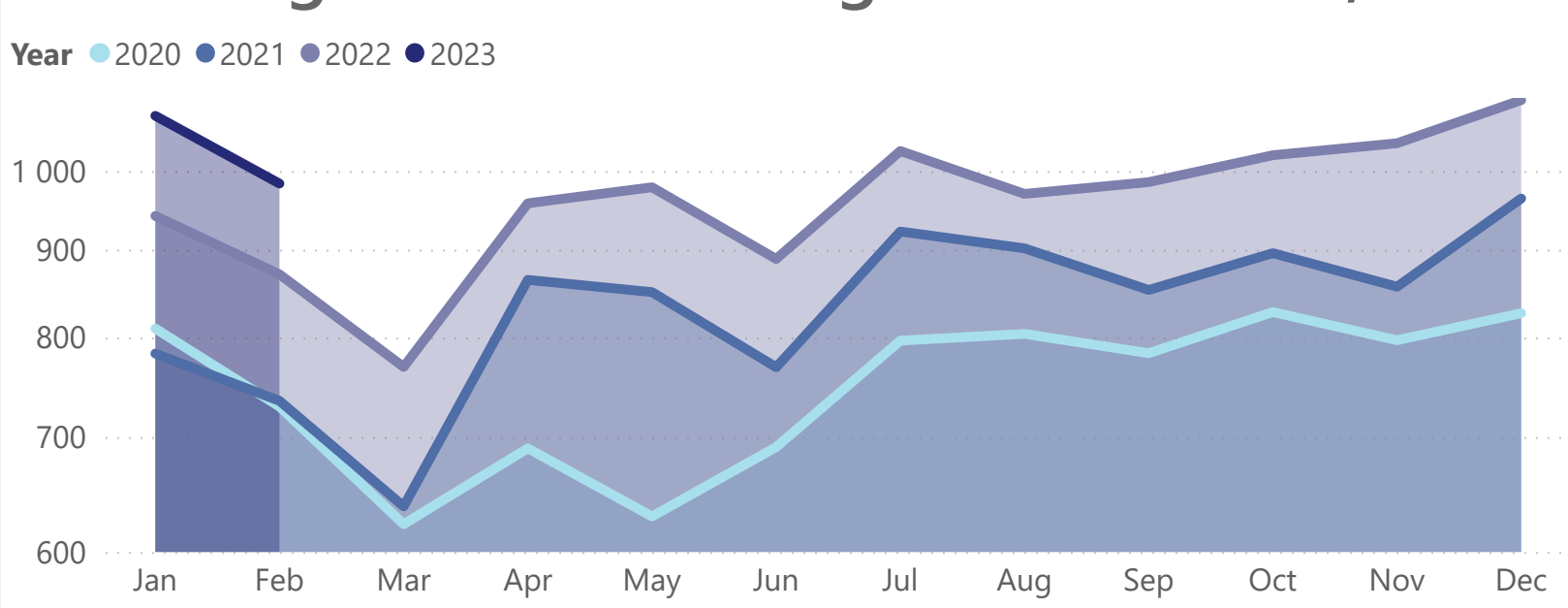
General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	2 642,6	246,0	10,3%
Expenditure	2 495,3	308,9	14,1%
Balance	147,3	-62,9	

General government budget	Execution, mln €	YoY, mln €	YoY, %
Revenue			
Tax revenue	2 060,7	248,1	13,7%
Non tax revenue	102,3	-1,1	-1,1%
Self-earned revenue	86,7	12,3	16,6%
Foreign financial assistance	392,7	-13,0	-3,2%
Expenditure			
Remuneration	430,7	52,2	13,8%
Goods and services	306,2	48,1	18,7%
Interest payments	52,9	3,1	6,3%
Subsidies and grants	662,0	127,9	24,0%
Social support	839,5	46,9	5,9%
Payments to EU budget	63,9	-11,5	-15,3%
Capital expenditure	130,2	44,5	51,9%

General government budget tax revenue

Tax type	Execution, mln €	YoY, mln €	YoY, %
VAT	687,9	141,5	25,9%
SSC	676,4	70,4	11,6%
PIT	443,5	28,7	6,9%
EXCISE	186,9	6,9	3,9%
CIT	81,1	15,7	23,9%

General government budget tax revenue, mln €



Source: Treasury. General government budget tax revenue in January-February 2023 including revenue in the single tax account -123.2 mln € and not included SSC revenues in 2ng pension tier 120.2 mln €.

STATE BASIC BUDGET

State Basic Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	1 511,5	157,0	11,6%
Expenditure	1 517,7	59,0	4,0%
Balance	-6,2	98,0	

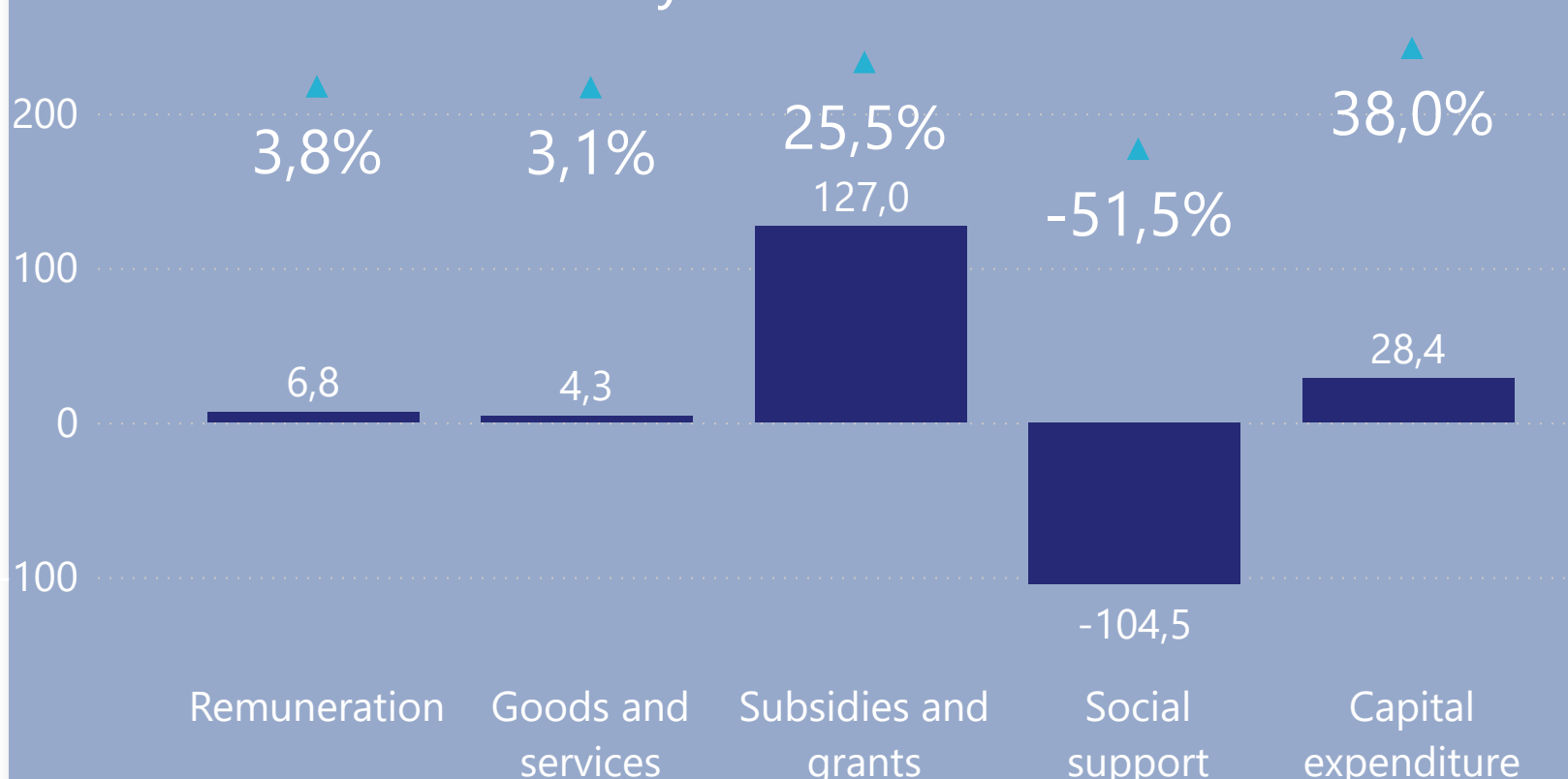
STATE SPECIAL BUDGET

State Special Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	712,5	47,3	7,1%
Expenditure	703,7	137,2	24,2%
Balance	8,9	-89,9	

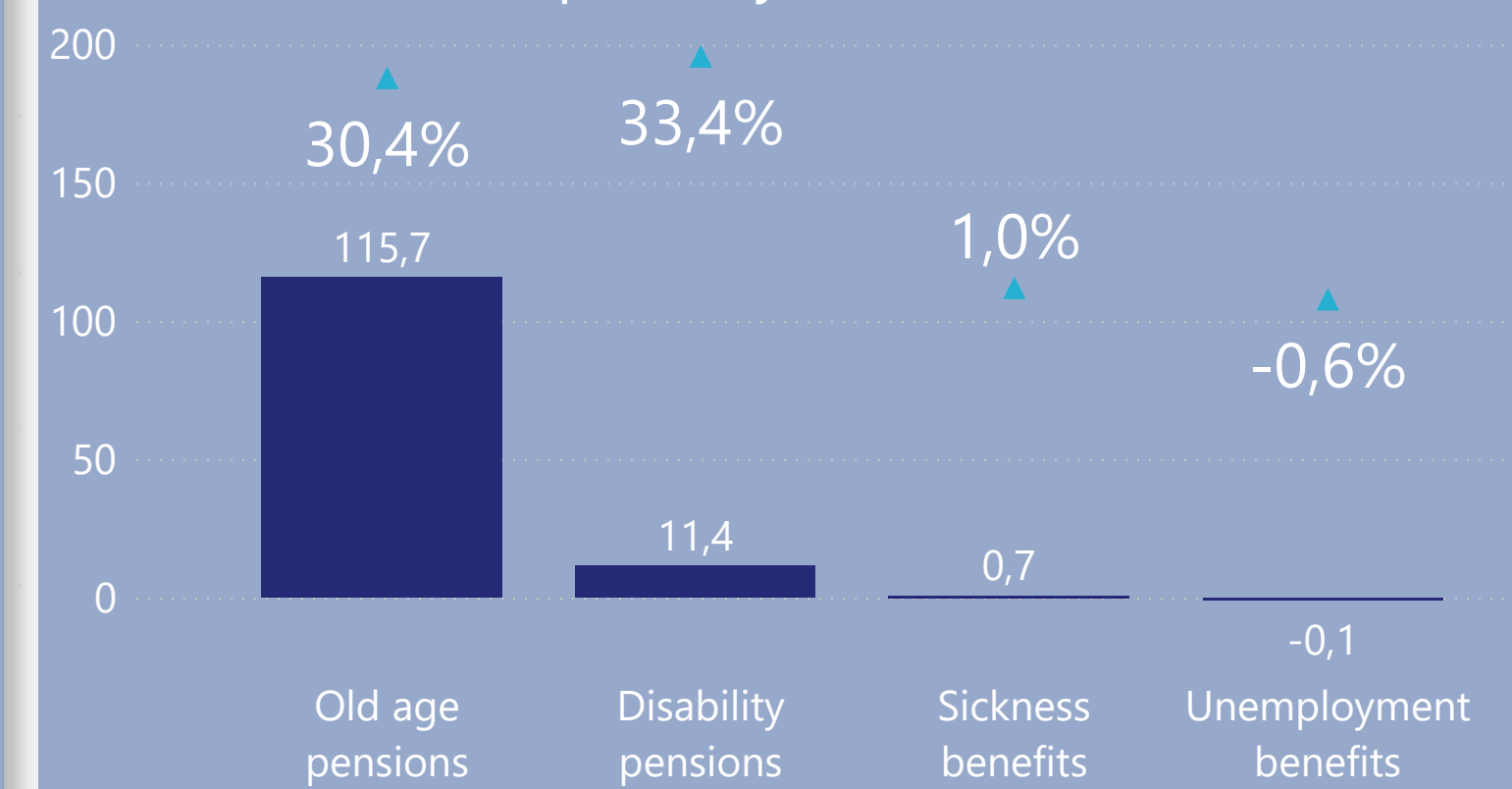
LOCAL GOVERNMENT BUDGET

Local Government Budget	Execution, mln €	YoY, mln €	YoY, %
Revenue	598,8	52,4	9,6%
Expenditure	479,3	97,1	25,4%
Balance	119,5	-44,7	

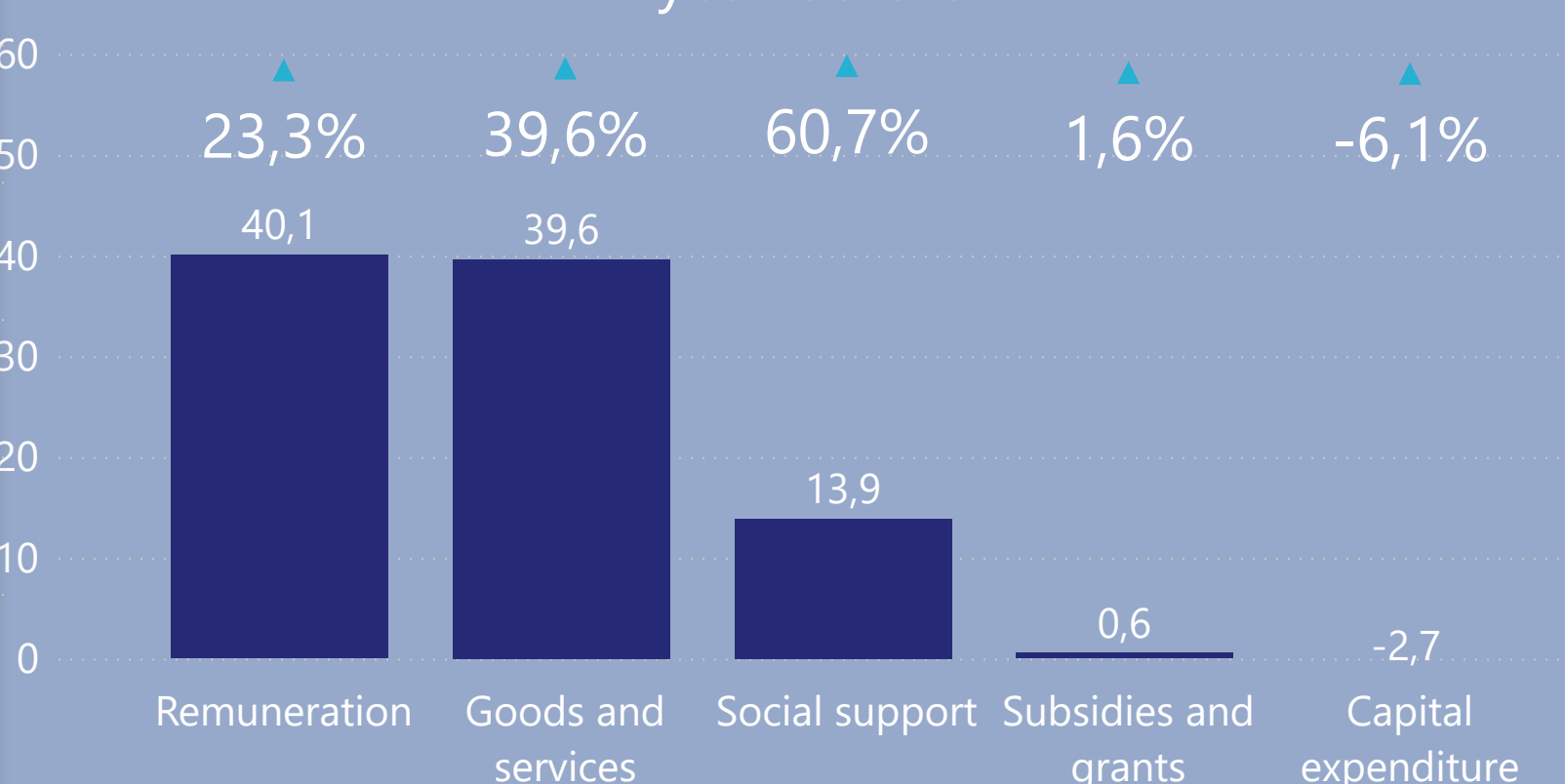
Major changes in mln € and % against respective period year before



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



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

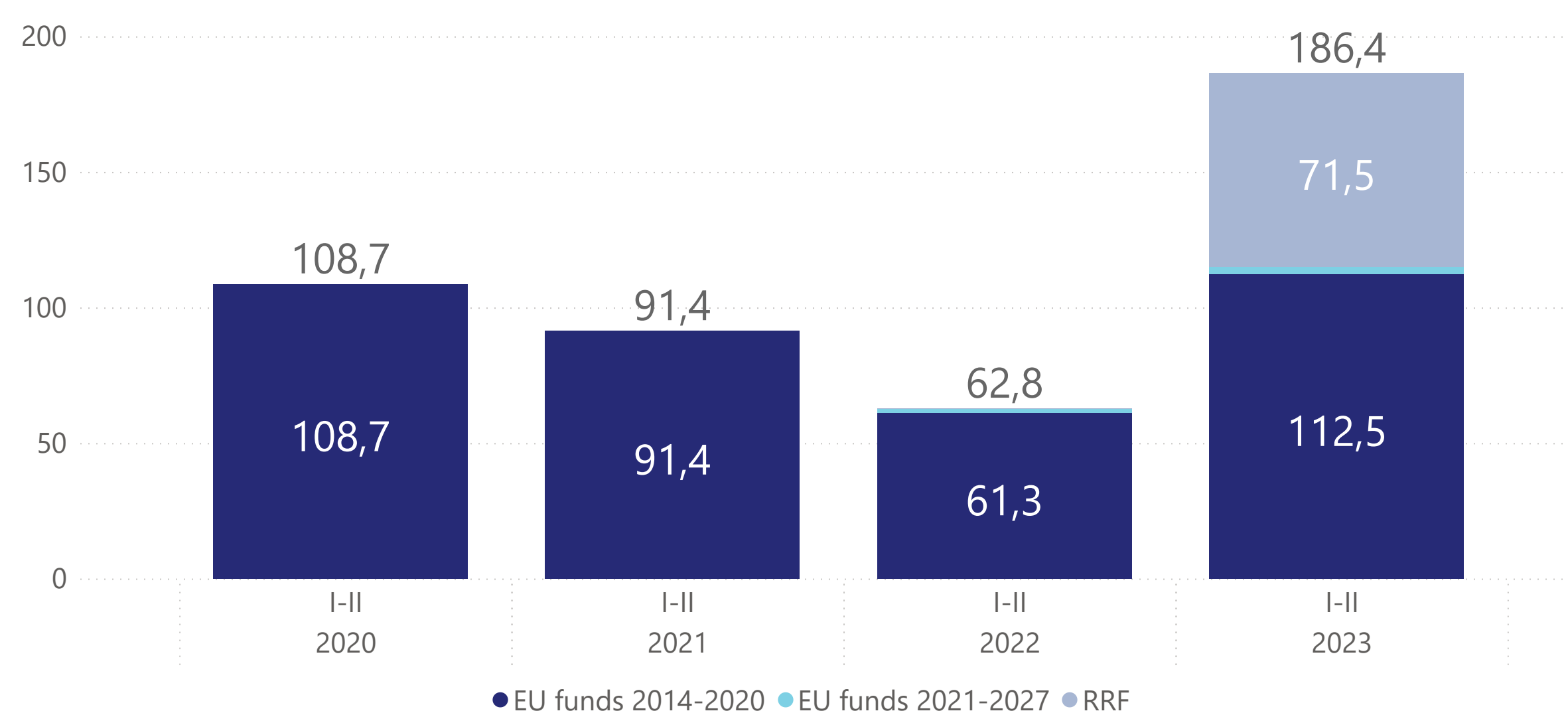
CRISIS SUPPORT MEASURES

Total support and impact on general government budget balance, mln € and % of GDP

Measure	2020	2021	2022	2023	2023p
Covid-19	1281,7	2315,1	965,9	0,6	100,8
Energy		1,9	603,5	199,5	621,6
Ukraine			81,0	11,6	102,0
Total support measures	1281,7	2317,0	1650,4	211,7	824,4
% of GDP	4,2	6,9	4,2	0,5	1,9
Impact on budget balance	-960,8	-2104,7	-1481,0	-211,7	-856,3
(% of GDP)	-3,2	-6,3	-3,8	-0,5	-2,0

EUROPEAN UNION FUNDS

Investments of EU funds, mln €



Source: Plan according to the government decisions till March 13th, 2023. Execution according to data from the State Treasury, State Revenue Service, ALTUM, etc. till February 28th, 2023.

Source: State Treasury. Investments of EU funds, included co-financing from general government budget. EU funds - funds for implementation of Cohesion policy (European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF). RRF- Recovery and Resilience Facility plan.