Treasury
Republic of Latvia

Bi-Weekly News Update

October 6 -20, 2025

BUDGET

- **On Tuesday, October 14, the government approved a draft Law on the 2026 budget and the medium-term budget framework for 2026–2028**, which was prepared in accordance with European Union (EU) and national fiscal discipline rules. Economic growth of 1.1% is forecast for this year, while next year's budget forecasts growth of 2.1% and up to 2.2% in subsequent years. Additional funding for government priorities symbolizes Latvia's choice for a more secure future – **strengthening defence, caring for families, and investing in knowledge**. **The general government budget deficit is projected to be 2.9% of GDP in 2025, rising to 3.3% in 2026 and remaining at around 3.6% in the medium term.** (Oct 14, MoF)

FINANCING AND DEBT

- **On October 8, GMTN Notes due on 21 May, 2030 were offered in a competitive multi-price auction via Primary dealers**. Notes were sold in nominal value of EUR 75 million and the total demand reached EUR 249.84 million. **The weighted average yield rate was 2.820%.** (Oct 8, Treasury)
- **On October 22, the Treasury in a competitive multi-price auction will offer 3,000 per cent. Notes due 2032** under the Global Medium Term Note Programme (GMTN) of the Republic of Latvia, acting through the Treasury (Oct 20, Treasury)

MACROECONOMICS

- The data of the Central Statistical Bureau (CSB) show that **in September 2025, compared to August 2025, the average level of consumer prices increased by 0.2%.** With the beginning of the autumn season, the rise in prices of clothing and footwear, along with the drop in prices of goods and services related to transport, mainly passenger transport by air and fuels for transport, contributed the most to the price change. **Compared to September 2024, in September 2025 the average level of consumer prices increased by 4.1%.** (Oct 8, CSB)
- CSB provisional data show that **in August 2025 Latvia had foreign trade turnover of EUR 3.31 billion, and at current prices it was 0.3% higher than a year ago**. Value of exported goods increased by 2.5%, but of imported goods reduced by 1.6%. In August Latvia exported goods in the amount of EUR 1.54 billion, but imported – in the amount of EUR 1.77 billion. (Oct 10, CSB)
- CSB estimate shows that **actual unemployment rate in Latvia was 6.2% in September 2025.** It has reduced by 0.2 percentage points month-on-month and by 0.4 percentage points year-on-year. **The unemployment rate registered with the State Employment Agency (SEA) was 4.7%.** It has reduced by 0.2 percentage points month-on-month and by 0.4 percentage points year-on-year. (Oct 17, CSB)
- **The International Monetary Fund (IMF) has cut Latvia's gross domestic product growth forecasts for this and next year, according to the IMF latest World Economic Outlook. In the report, the IMF forecasts Latvia's economy to grow by 1% this year and by 2.2% next year.** In April, the IMF forecasted that Latvia's GDP would expand by 2% this year and by 2.5% in 2026. (Oct 14, IMF)