

LATVIA 2015

STATISTICS IN BRIEF

Devoted to facts and people



Central Statistical Bureau of Latvia

LATVIA. STATISTICS IN BRIEF 2015

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The brochure “Latvia. Statistics in Brief 2015” gives an insight into the recent development trends in Latvia. The informative publication of the Central Statistical Bureau (CSB) introduces industry experts, business partners, foreign guests and other interested parties to social and economic processes that have taken place in Latvia in the reference period. Each chapter begins with a small description of the sector, followed by informative data tables and graphs. Some indicators for international comparisons are taken from *Eurostat* databases. All data contained in the publication are available on the CSB website at <http://www.csb.gov.lv>.

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Explanation of symbols

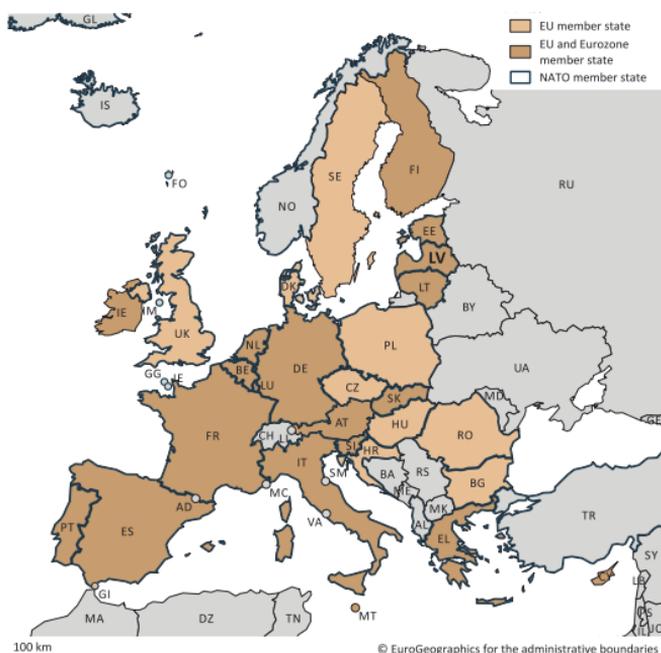
-	Magnitude zero
...	Data not available or too uncertain for presentation
•	Data are not published due to confidentiality requirements
-	person
°C	Celsius degree
Data source	indicates the code of the respective Eurostat table used (for example [tec00114])
euro/€	Euro is the official currency used in 19 member states of the European Union. Since 1 January 2015 Euro is used in Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.
EU-28	28 member states of the European Union: Austria (AT), Belgium (BE), Bulgaria (BG), Croatia (HR), Czech Republic (CZ), Cyprus (CY), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (EL), Hungary (HU), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Slovakia (SK), Slovenia (SI), Spain (ES), Sweden (SE), United Kingdom (UK).
Eurostat	Statistical Office of the European Union
GJ	gigajoule
GWh	Gigawatt hour
ha	hectare
GDP	Gross Domestic Product
ICT	Information and Communication Technologies
IT	Information technologies
km	kilometre
km²	Square kilometre
quintile	is one fifth (20%) of the number of the surveyed households, which are grouped in a growing sequence by disposable income per one household member.
kWh	kilowatt hour
m	metre
m³	cubic metre
mm	millimetre
mIn	million
bln	billion
MW	megawatt
MWh	megawatt hour
NACE	Statistical Classification of Economic Activities in the European Community
NATO	North Atlantic Treaty Organisation
CIS	Commonwealth of Independent States: Armenia (AM), Azerbaijan (AZ), Belarus (BY), Kazakhstan (KZ), Kyrgyzstan (KG), Moldova (MD), Russia (RU), Tajikistan (TJ), Turkmenistan (TM), Ukraine (UA), Uzbekistan (UZ)
PJ	peta joule
t	ton
TJ	tera joule
tkm	ton-kilometre
thsd	thousand

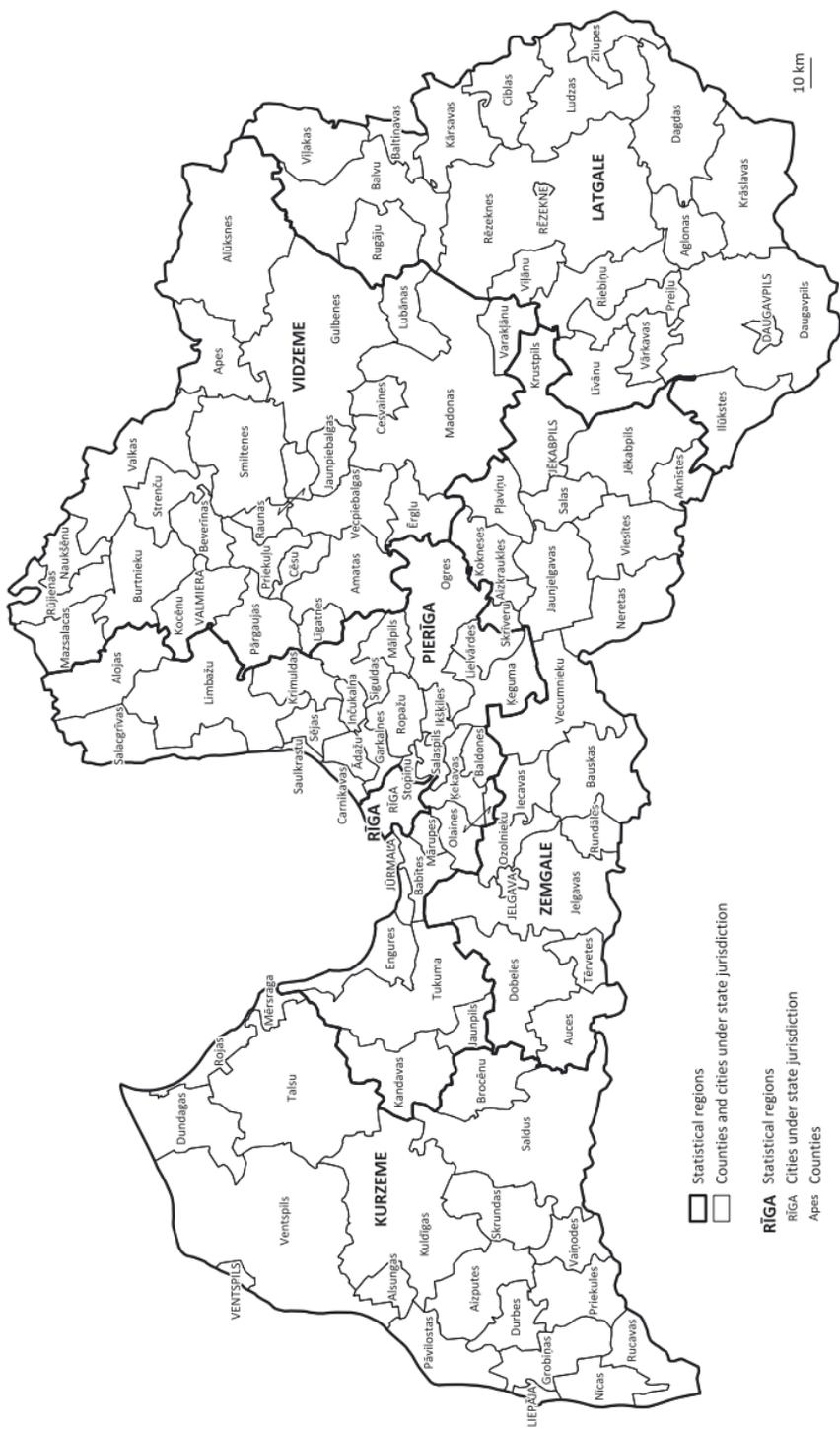
General Information

Official state name	Republic of Latvia
Capital	Riga (32% of total population)
Official state language	Latvian
State administrative system	parliamentary republic
Independence proclaimed	18.11.1918. (restored 04.05.1990.)
President	Andris Bērziņš (since 08.07.2011.)
Parliament	Saeima
Composition of Saeima	100 Members of Parliament
Accession to NATO	29.03.2004.
Accession to the European Union	01.05.2004.
Territory	64.6 thsd km ²
Territorial units	6 statistical regions
Administrative territories	119 local governments
Cities under state jurisdiction	9 (largest – Rīga)
Counties	110
Cities	67

Key indicators

in 2014	
Population (01.01.2015.)	1 988.4 thsd
Population density per 1 km ²	31 pers.
Changes in the number of population	-1.1%
Number of households	823.3 thsd
Average size of households	2.4
Employment rate	59.1%
Average monthly net wages	560 euros
Average monthly old-age pension	266 euros
Unemployment rate	10.8%





Administrative territorial division

According to the Law on Administrative Territories and Settlements in Latvia on 1 January 2015 there were 119 administrative territories – 9 cities under state jurisdiction and 110 counties.

Statistical regions

There are six statistical regions in Latvia: Riga, Pierīga, Vidzeme, Kurzeme, Zemgale and Latgale.

1. Territorial description

Geographical information

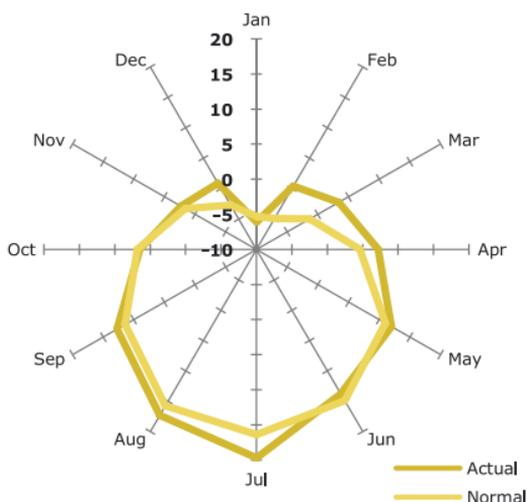
The territory of Latvia is 64.6 thsd km², which is eight times less than the territory of France, the largest country of the European Union, but 1.5 times larger than its neighbour Estonia. The total border length is 1.8 thsd km, of which 1.4 thsd km is land border. Latvia has land boundary with Estonia (343 km), Russia (292 km), Belarus (171 km) and Lithuania (576 km), as well as maritime boundary with Sweden, Lithuania and Estonia.

In the result of melting of the glaciers the terrain is rich of hillocks and hollows, which contributes to water accumulation in cavities. Water covers about 2.3 thsd km², which is 3.6% of the country's territory. There are more than 12 thsd rivers in Latvia with the total length of 38 thsd km. The longest rivers are the Gauja (452 km) and the Daugava (1 005 km, of which 352 km in the territory of Latvia). There are 2.3 thsd lakes larger than 1 ha in Latvia. The largest lakes are Lake Lubāns (80.7 km²) and Lake Rāzna (57.6 km²), while the deepest lake is Lake Drīdzis (65.1 m). The highest point in the territory of Latvia is located in Vidzeme Upland – 311.6 m above the sea level.

Climate

Latvia is located in the Temperate Zone, its weather conditions are affected by its location close to the sea and by air masses from the Atlantic Ocean, in the result of which climate in Latvia is mild and humid. The average annual precipitation ranges from 600 to 700 mm per year. In 2014 the average air temperature in January, the coldest month of winter, was -6.1°C, which is 1.5°C below long-term norm, while the average temperature in July, the hottest month of summer, was +19.7°C, which is 2.7°C above long-term norm.

Average monthly air temperature in 2014



Weather conditions in Riga

	Normal	2012	2013	2014
Mean temperature, °C	6.9	7.3	8.1	8.6
- maximum	34.5	32.7	32.2	33.0
- minimum	-34.9	-24.4	-16.5	-16.5
Precipitation, mm	706	754	660	660
Number of days with precipitation	125	317	115	94
Average relative humidity, %	79	76	76	75
Sunshine, h	1 758	1 838	2 011	2 006

2. Population

The number of population in Latvia keeps decreasing

At the beginning of 2015, the population in Latvia accounted for 1 million 998 thousand people, and it continues to decline – in 2014 by 13.1 thsd persons (decrease rate – 0.65% compared to 1.10% in 2013). Since 1991, natural growth in Latvia has been negative, and the number of deaths still exceeds the number of births. The number of population decreases both due to negative natural increase and long-term migration (with the number of emigrants exceeding the number of immigrants).

At the beginning of 2014, 67.8% of the Latvian population lived in urban areas, of which more than a third or 32% – in Riga, where the population density was 2 116 persons per km² (the average indicator in Latvia – 31 pers./km²). As evidenced by the population age structure in Latvia, like in the great majority of the European Union countries, the population is ageing. Out of 2 001 million persons at the beginning of 2014, 14.7% were children under the age of 14, 62.6% – of working age (15 to 61 years old), and 22.7% were people of retirement age (over 62 years). Since the beginning of 2010 the number of working-age population has dropped by 8.8%, the number of children – by 2.0%, while the number of people of retirement age has grown by 1.7%. The number of marriages in Latvia tends to increase (from 9290 marriages in 2010 to 12 515 in 2014). In 2014, 39% of men and 52% of women entered into marriage before the age of 29 (the mean age of men at the first marriage – 30.8 years, and of women – 28.9 years). On average a marriage in Latvia in 2014 lasted for 14 years, which is five years more than in 1990. 6 271 marriage was divorced in 2014, which is 10.8% less than in 2013.

Birth rates were improving in 2014

A slight fertility growth has been registered in Latvia already for four consecutive years. 21.5 thsd babies were born in 2014. The average age of mother at childbearing has been gradually increasing, and in 2013 it was 30 years (at the first childbearing – 27 years). More than half of the children (55.4%) were born in families that have registered their marriage officially.

A significant indicator characterising generational change is the total fertility rate ⁽¹⁾. In 2013 this rate was 1.5 newborns, which is still far from the desired (2.1 to 2.2). In Europe on average this rate in 2012 was 1.6, and in many countries even below the Latvian level. 28.5 thsd people passed away in 2014. The average age at death in 2013 was 78 years for women and 68 years for men. Compared to 2000 the average age at death has increased on average by four years.

91 child died in 2013 before reaching one year of age. There were 4.4 infant deaths per 1 000 live births (in 2010 – 5.6). Today people in Latvia live on average five years longer than in 1991, with life expectancy increasing gradually. In 2013, the average life expectancy for women was 79.0 years, and for men – 69.5 years.

Migration rates are still high

In 2013, 8.3 thsd persons came to Latvia for permanent residence or for a period of time equal to or longer than one year. In turn, the number of emigrants accounted for 22.6 thsd persons. The majority of those who emigrated were people of working age (82.8% of the total number of emigrants).

In 2013, 8.5 thsd young people aged 15–29 years emigrated from the country. The number of working age emigrants (15–61 years) exceeded the number of immigrants 2.9 times. In 2013, 57.8% of immigrants came from European Union countries (the majority from the UK, Ireland and Germany). A significant portion (20%) were immigrants from Russia. 73% of people emigrating from Latvia in 2013 moved to other EU countries (the majority to the UK, Germany and the Netherlands). In 2013 as compared to 2012 the number of people who emigrated to the European Union countries decreased by 2.6 thsd or 13.5%. The number of people who decided to return to Latvia from other European Union countries decreased by 2.5 thsd or 34.3%.

⁽¹⁾ The average number of children that would be born to a woman during her lifetime provided the birth-rate of the given year remained at the previous level.

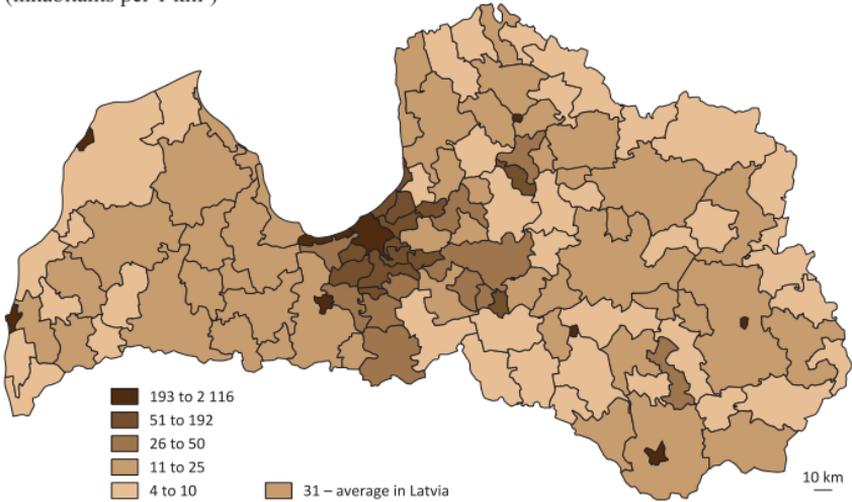
Resident population, number and density

(at the beginning of the year)

	2010	2014
Number of population	2 120 504	2 001 468
- males	970 931	917 045
- females	1 149 573	1 084 423
Population density, pers. per 1 km ²	33	31
Number of population in the capital	673 433	643 368
Population density in the capital	2 215	2 116

Density of population at the beginning of 2014

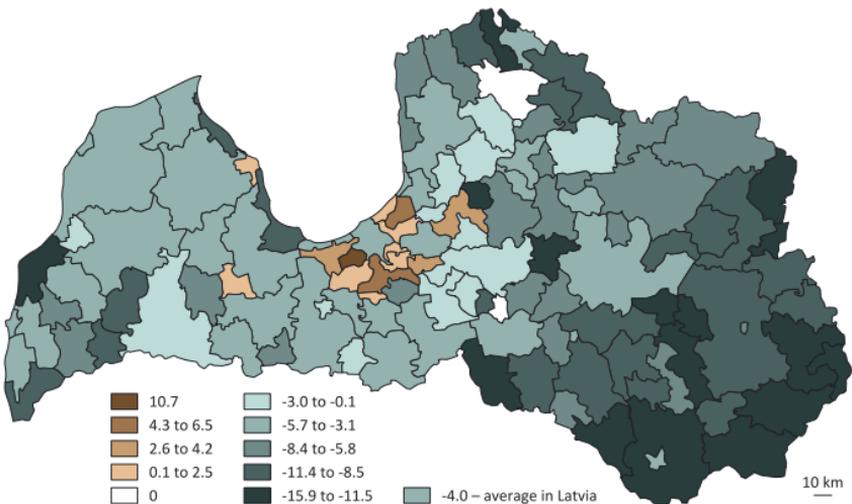
(inhabitants per 1 km²)



Changes in resident population and corrective factors

	2010	2013
Changes, total	-45 899	-22 357
Natural growth	-10 259	-8 095
Net migration	-35 640	-14 262
Population changes per 1 000 population	-21.9	-11.1

Natural increase per 1 000 resident population

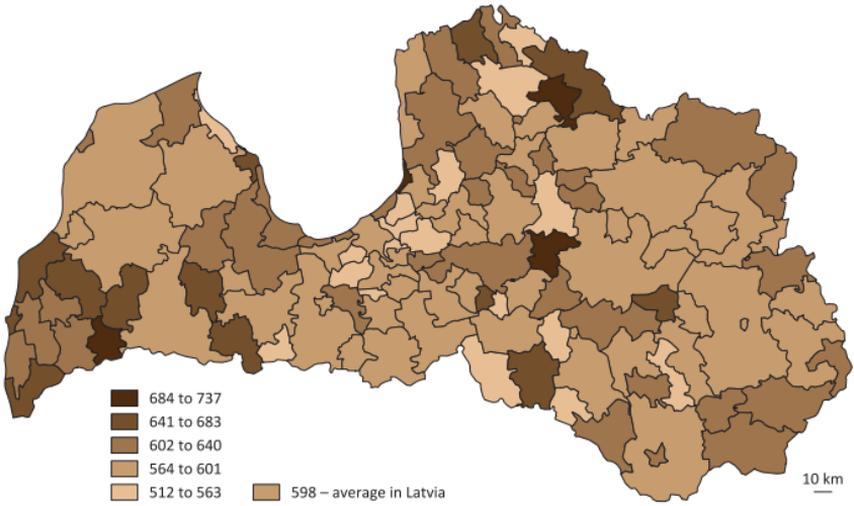


Age structure of resident population

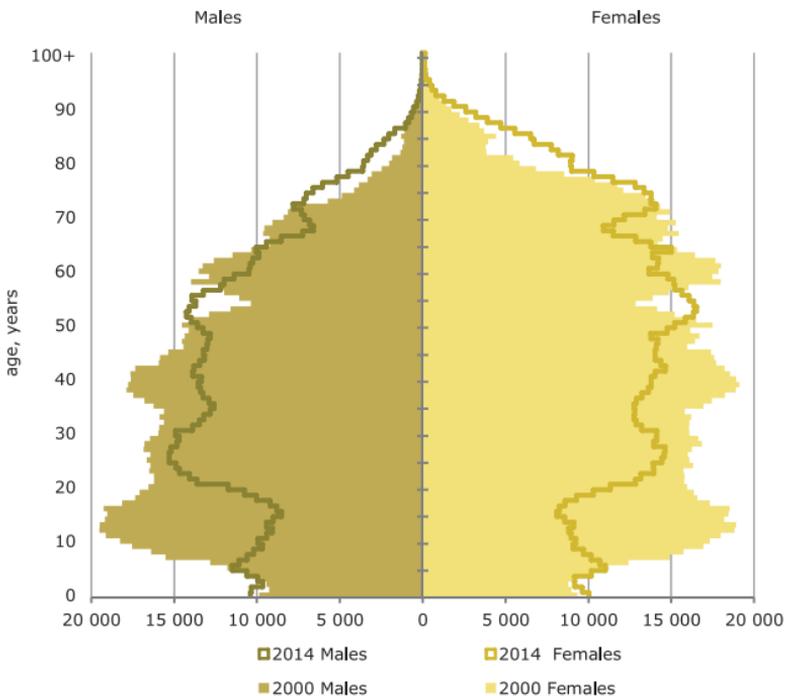
(at the beginning of the year)

	2010	2014
Total	2 120 504	2 001 468
0–14 years	300 294	294 384
15–24 years	299 722	226 058
25–49 years	736 717	687 752
50–61 years	336 252	338 354
62+ years	447 519	454 920
Level of demographic burden	545	598
Average age of population, years	41.2	42.4

Demographic burden at the beginning of 2014



Population gender and age structure in 2000 and 2014



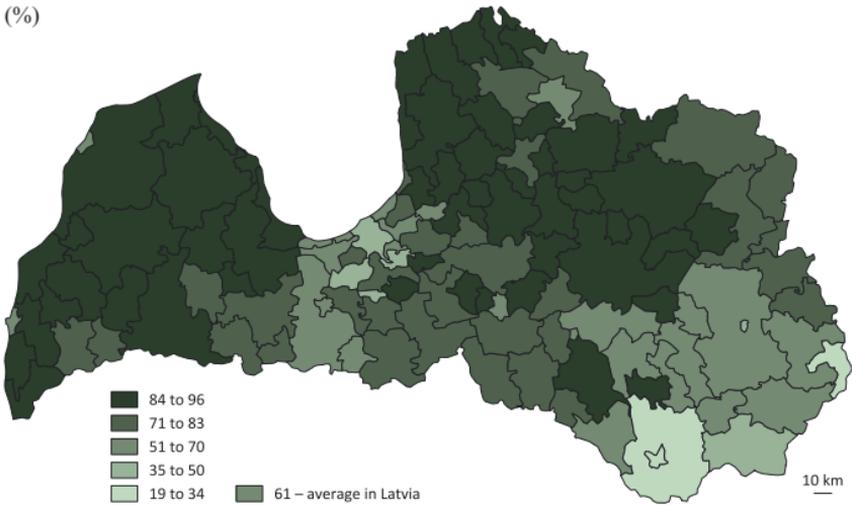
Ethnic composition of population

(at the beginning of the year)

	1989	2000	2011	2014
Total, %	100	100	100	100
Latvians	52.0	57.7	60.5	61.4
Russians	34.0	29.6	26.8	26.0
Belarusians	4.5	4.1	3.6	3.4
Ukrainians	3.5	2.7	2.4	2.3
Poles	2.3	2.5	2.3	2.2
Other ethnicities, including not specified or stated	3.7	3.4	4.4	4.7

Share of Latvians at the beginning of 2014

(%)



Country of birth and citizenship of resident population in Latvia

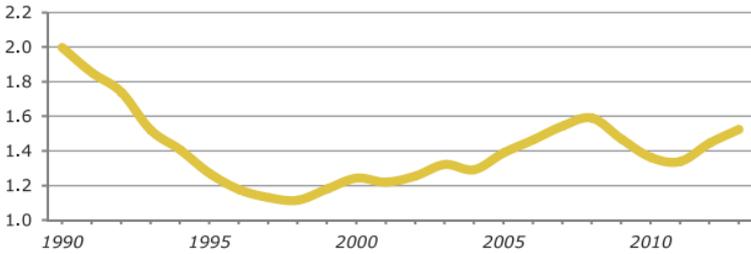
(at the beginning of the year)

	2011	2014
Country of birth of resident population, %	100	100
- Latvia	85.4	86.5
- Other European Union country	1.4	1.4
- Russia	7.7	7.0
- Other country	5.5	5.1
Resident population by citizenship, %	100	100
- citizens of Latvia	83.5	84.8
- non-citizens of Latvia	14.3	12.7
- foreigners	2.2	2.5

Birth rates

	2010	2013
Number of live births	19 781	20 596
- boys	10 246	10 458
- girls	9 535	10 138
Number of boys per 1 000 girls	1 075	1 032
Share of children born in marriage	55.6	55.4
Live births per 1 000 population	9.4	10.2
Total fertility rate	1.36	1.52

Total fertility rate



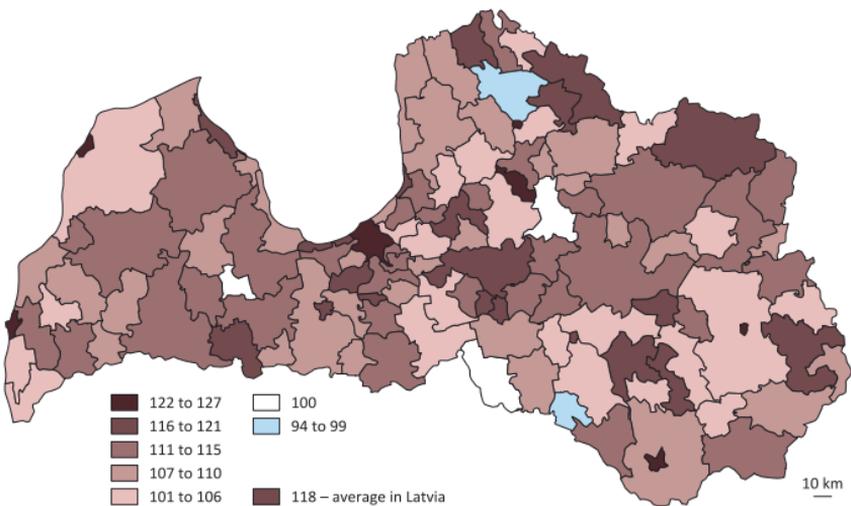
Live births by order

	2010	2013
Total, %	100	100
- first	48.7	44.6
- second	34.5	37.1
- third	11.3	12.9
- fourth and above	5.5	5.4

Average age of mother at childbirth

	2010	2013
Average age of mother at childbirth, years	29.0	29.6
- first child	26.4	26.9
- second child	30.3	30.8

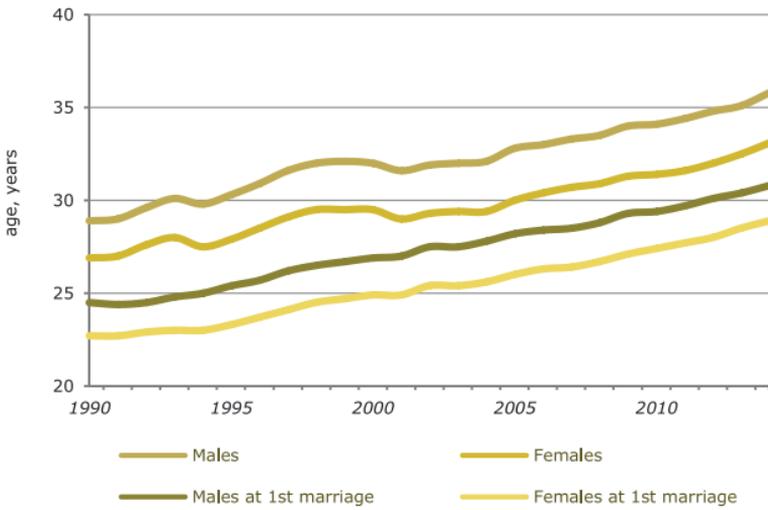
Number of females per 100 males



Marriages and divorces

	2010	2013	2014
Number of concluded marriages	9 290	11 436	12 515
Number of marriages per 1 000 population	4.4	5.7	6.3
Average age of persons marrying:			
- males	34.1	35.1	35.8
- females	31.4	32.5	33.1
Average age of persons marrying the first time:			
- males	29.4	30.4	30.8
- females	27.4	28.5	28.9
Number of divorces	4 930	7 031	6 271
Average duration of marriage, years	13.4	14.0	14.4

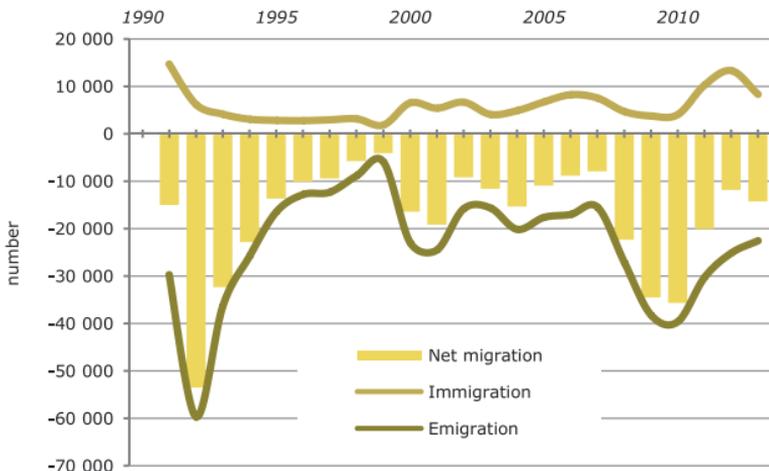
Average age of married persons



Mortality

	2010	2013
Number of deaths	30 040	28 691
- males	14 561	13 518
- females	15 479	15 173
Average age at death, years	72.4	73.5
- males	67.3	68.1
- females	77.3	78.3
Number of deaths per 1 000 population	14.3	14.3
Number of infant deaths	110	91
Number of infant deaths per 1 000 live births	5.6	4.4
Life expectancy at birth, years	73.3	74.4
- males	68.1	69.5
- females	78.1	79.0

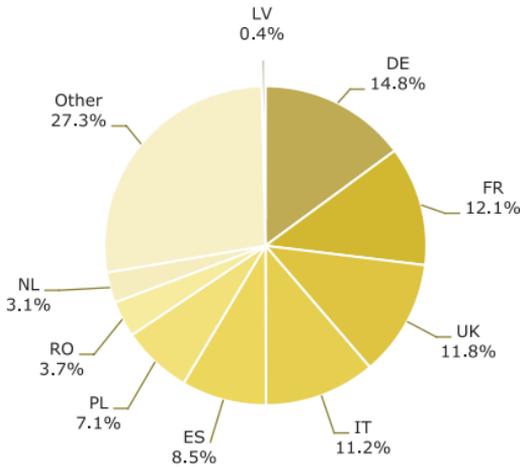
International long-term migration



International long-term migration by country group

	Immigration		Emigration	
	2010	2013	2010	2013
Total, %	100	100	100	100
European Union (EU)	38.0	57.8	76.7	73.1
EFTA ⁽¹⁾	1.3	3.5	3.5	6.2
CIS	49.8	31.0	12.4	16.6
Other countries	10.9	7.7	7.4	4.1

Ratio of population of the EU Member States at the beginning of 2014



3. Employment and unemployment

Employment indicators are gradually improving

The highest employment rate – 62% in Latvia was reached in 2008, but in the subsequent years due to the economic crisis, employment fell sharply to its lowest level (52%) in 2010. In recent years, employment rate has been increasing by an average of two percentage points per year, and in 2014, 59.1% of the Latvian population aged 15–74 were employed. The highest employment rate of 79.3% in 2014 was registered in the population group of 35–44 years of age, while the lowest – 32.5% among young people aged 15 to 24 years. Since 2010, employment rate in the country has increased by 7.1 percentage point. Riga region witnessed the most rapid growth of 10.0 percentage points, while the smallest growth of 2.4 percentage points was registered in Latgale region.

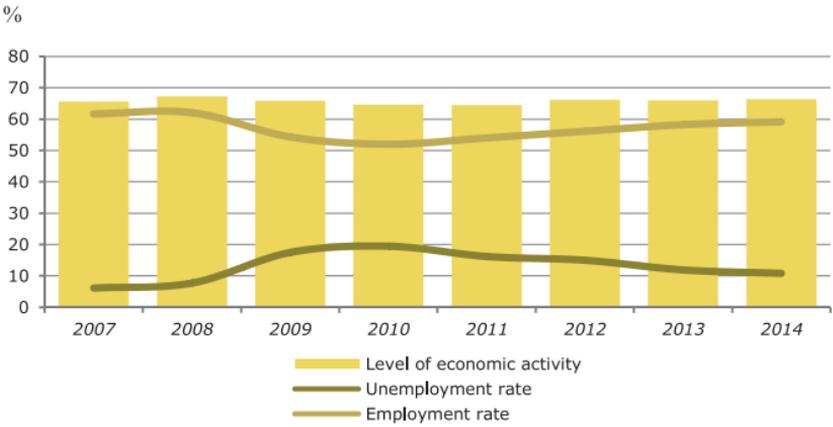
Unemployment decreases

At the start of the recession in 2009, unemployment increased rapidly and in 2010 amounted to 19.5%. Since 2011, the number of unemployed people has been gradually decreasing, and in 2014, 10.8% of the economically active population aged 15 to 74 years were seeking a job. The average unemployment rate in the EU was 10.2%, with the highest unemployment rates registered in Greece (26.5%) and Spain (24.5%), while the lowest – in Germany (5.0%).

The highest unemployment rate of 19.6% was registered among young people aged 15–24. The difference between unemployment among men and women has been decreasing, and in 2014 it was only 2.0 percentage points.

⁽¹⁾ European Free Trade Association. EFTA members: Norway, Switzerland, Iceland and Liechtenstein.

Indicators characterising economic activity



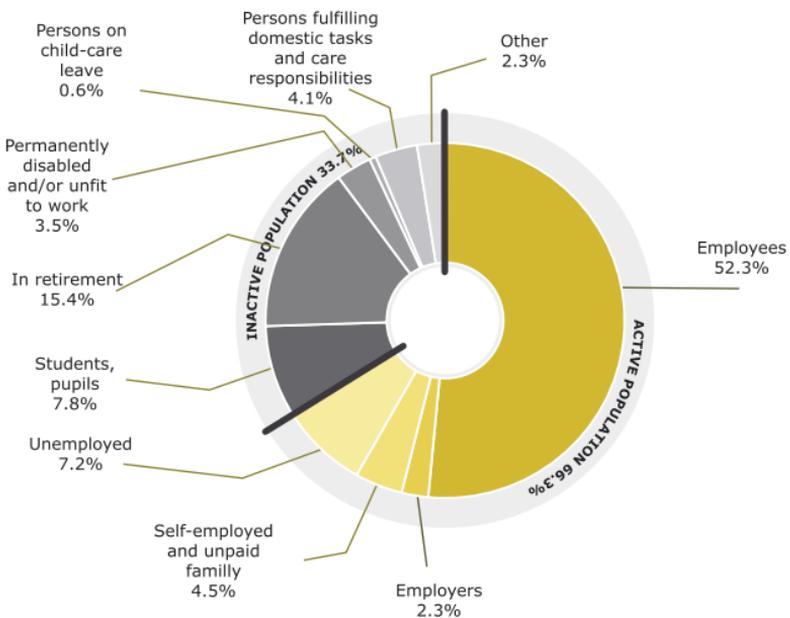
One third of the population is economically inactive

In recent years, a little more than a third of the population (33.9 to 35.5%) have been neither employed nor actively seeking a job, and this proportion was similar also in 2014 accounting for 33.7% or 503.5 thsd persons.

Key indicators characterising economic activity

	2010	2013	2014
Number of population aged 15–74, thsd	1 635	1 536	1 496
Economically active population	1 057	1 014	992
- employed	851	894	885
- unemployed	206	120	107
Economically inactive population	579	522	504
Level of economic activity, %	64.6	66.0	66.3
Employment rate, %	52.0	58.2	59.1
Unemployment rate, %	19.5	11.9	10.8

Economic activity structure in 2014

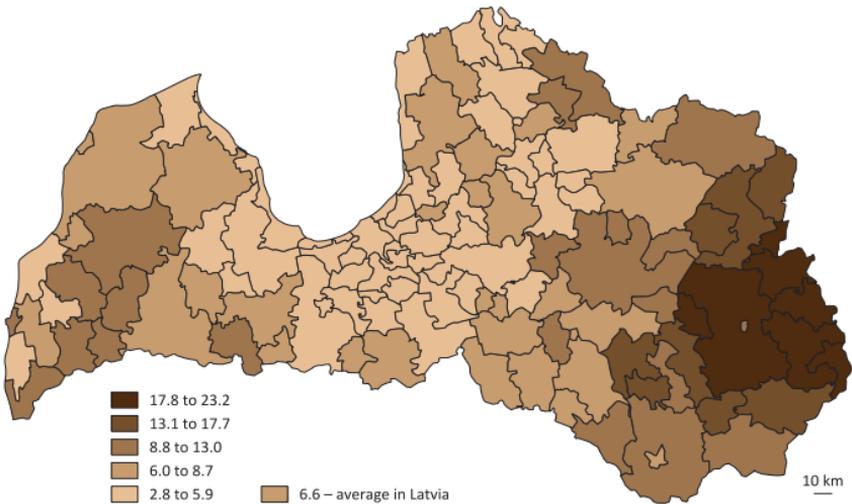


Employed by economic activity

	2010	2013	2014
Total number of employed people, thsd ⁽¹⁾	850.7	893.9	884.6
Agriculture, forestry and fishing (A)	73.3	71.9	66.3
Manufacturing and energy (B-E)	138.6	146.3	137.6
Construction (F)	57.6	67.3	73.2
Wholesale and retail trade, accommodation and food service activities (G,I)	162.0	159.9	161.6
Transportation and storage, information and communication (H, J)	98.1	101.7	111.1
Financial and insurance activities, real estate activities, professional, scientific and technical activities, administrative and support service activities (K-N)	87.8	102.7	99.0
Public administration and defence, compulsory social security (O)	59.7	61.3	58.6
Education (P)	84.5	94.6	85.1
Health and social work (Q)	49.5	47.7	52.0
Other types of economic activity (R-U)	39.4	39.5	39.6

Registered unemployment at the end of 2014

(as % of the total number of population of working age 15–61) ⁽²⁾

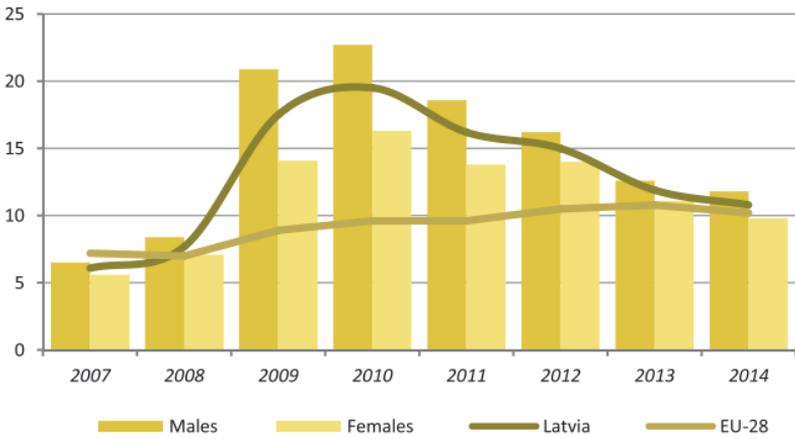


⁽¹⁾ The total number of employed people also includes persons who have not specified the sector of employment.

⁽²⁾ Data of the State Employment Agency.

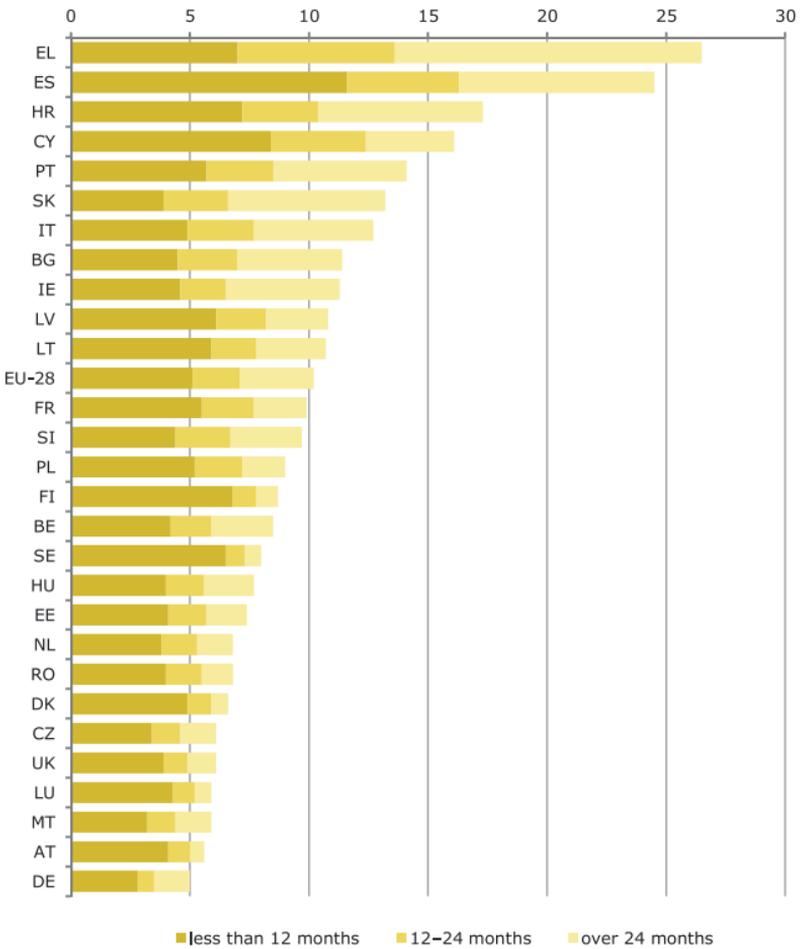
Unemployment rate

(as % of the economically active people aged 15–74)



Long-term unemployment in EU Member States in 2014

(as % of the economically active people aged 15–74)



Data source: Eurostat [une_ltu_a] 14.05.2015.

4. Labour remuneration

Average wages and salaries keep increasing

In 2014 growth in average wages and salaries witnessed the most rapid growth since the recovery of the Latvian economy. The average monthly gross wages and salaries accounted for 765 euros, and net wages and salaries – 560 euros. Owing to reduction of employee social security contribution rate from 11.0% to 10.5%, and the increase of non-taxable amount of personal income tax (non-taxable minimum and deduction for dependents), the share of net wages and salaries over the year grew by one percentage point. Despite the gradual reduction of tax burden in Latvia, it is still high compared to other European Union countries. Latvia ranks tenth by the effective tax rates on labour in the European Union. The highest rates are registered in Belgium, Germany, Denmark, Austria, Hungary, Slovenia, Italy, the Netherlands and Finland.

Average monthly wages and salaries

	2012	2013	2014
Gross wages and salaries, euros	685	716	765
Net wages and salaries, euros	488	516	560
Minimum monthly wage in Latvia, euros	285	285	320
Changes of net wages and salaries over the previous year, %	3.9	5.6	8.6
Changes of real (net) wages and salaries over the previous year, %	1.6	5.6	8.0

After the crisis, from 2011 onwards, wages again began to grow gradually, slightly exceeding the consumer price growth rates in the last two years. In 2014 real net wages and salaries grew by 8.0%, thereby increasing purchasing power of the working population. Since 1 January 2015, the official minimum wage in Latvia is 360 euros. Compared to other European Union countries, where there is an officially set minimum wage, it is smaller only in Hungary, the Czech Republic, Lithuania, Romania and Bulgaria. The minimum wage in Latvia is five times lower than in Luxembourg. It should be noted that in 2015 Germany also introduced the minimum wage in the country. Like in previous years, also in 2014 the highest average wage level in the country was recorded in finance and insurance, information and communication services and the energy sector. The lowest average wages and salaries was registered in accommodation, food and other service activities sectors, education, art, entertainment and recreation sector, trade and in real estate activities sector. In 2014 the average wages and salaries steadily increased in all regions of Latvia. The most rapid growth was registered in Zemgale – 7.9%, in Kurzeme – 7.0%, and Vidzeme – 6.8%. In Pierīga and Latgale the average gross wages and salaries grew by 6.4%, and in Riga – by 6.6%. Like in the previous periods, the highest average monthly gross wages and salaries in 2014 were registered in Riga – 869 euros, while the lowest – in Latgale – 522 euros.

Gender pay gap among the lowest in the EU Member States

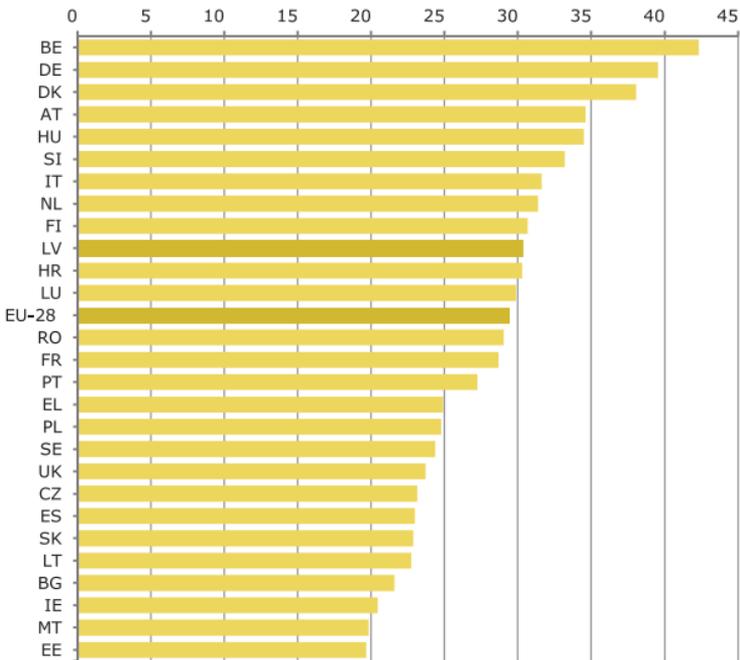
Gender pay gap in Latvia in 2013 was among the lowest in the European Union – 14.4%. According to Eurostat data, women's earnings were on average 16.4% below those of men in the European Union. The largest pay gap was registered in Estonia, reaching 29.9%. Only in Austria, the Czech Republic and Germany this indicator exceeded 20% in 2013. It should be noted that in Latvia this indicator has not been changing rapidly over the last five years and ranges from 13% to 14%. A smaller gender pay gap was registered in Slovenia – 3.2%, Malta – 5.1% and Poland – 6.4%.

Wages and salaries by statistical region

	Gross			Net		
	2012	2013	2014	2012	2013	2014
Monthly average, euros	685	716	765	488	516	560
Rīga	778	815	869	551	583	633
Pierīga	649	677	721	466	491	531
Vidzeme	528	560	598	384	410	444
Kurzeme	598	608	651	430	441	479
Zemgale	571	597	645	413	436	476
Latgale	475	490	522	345	358	388

Effective tax rates on labour in 2014

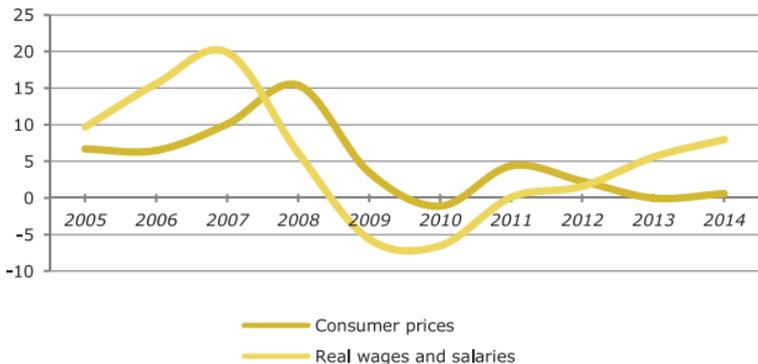
%⁽¹⁾



Data source: Eurostat (earn_nt_taxrate) 03.10.2014.

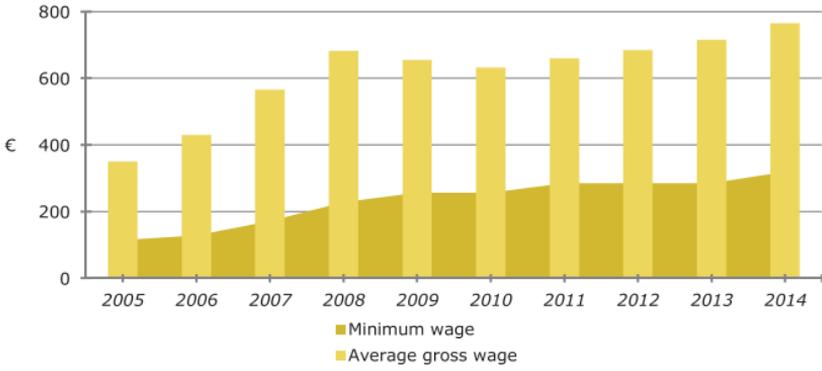
Wage and price changes

(as % over the previous year)

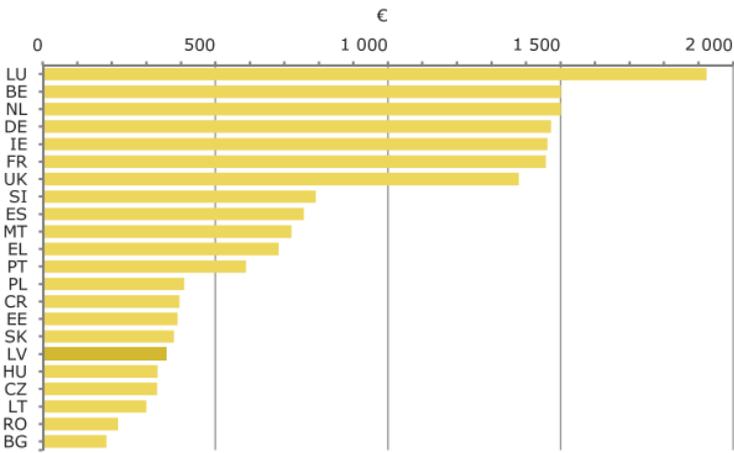


(¹) 2013 – LV, HR, LT, BG, MT.

Average and minimum monthly wage

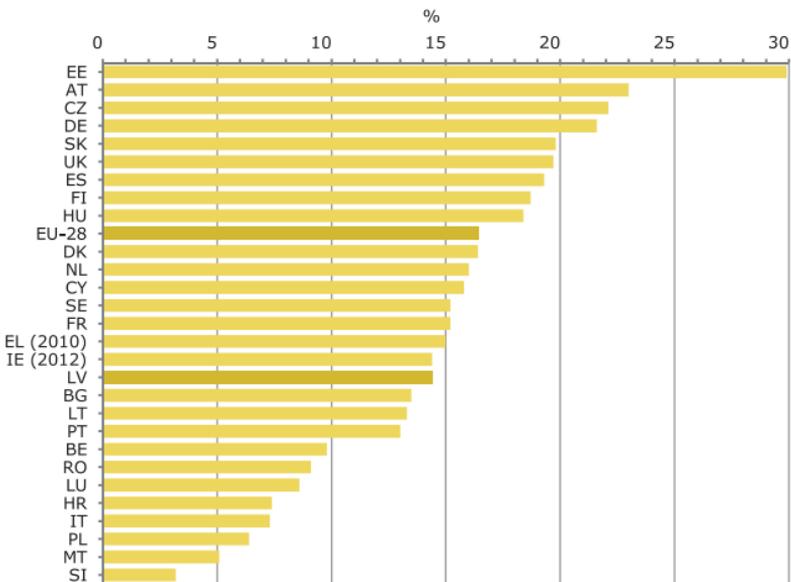


Minimum monthly wage at the beginning of 2015



Data source: Eurostat [earn_mw_cur]

Hourly wage gender pay gap in 2013



Data source: Eurostat (earn_gr_gpgr2) 30.09.2014.

5. Personal income

Household disposable income witnesses growth

In 2013 household disposable income at current prices increased by 10.7%, and reached 354 euros per household member monthly, compared to 320 euros in 2012. The most notable increase growth was recorded in Vidzeme (14.7%), while the lowest in Zemgale (5.5%). Income growth in other statistical regions ranged between 6% and 12%: in Pierīga – 11.6%, Rīga – 11.4%, Latgale – 10.8%, Kurzeme – 6.9%.

Amount of income from labour has been increasing

As compared to 2012 household income from labour has increased by 12.5%. In 2012 it was on average 216 euros per household member monthly, in turn in 2013 – on average 243 euros per household member monthly. The amount of social transfers grew slower – by 5.7% per household member monthly (from 88 euros in 2012 to 93 euros in 2013).

Households are becoming less dependent on social transfers. If in 2010 social transfers accounted for almost one third (32.4%) of household disposable income, in 2013 this share decreased and amounted to around one fourth of household disposable income (26.2%). In 2013 with an increase in employment rate and labour remuneration, people got involved in the labour market more actively, and gained the largest share of the household disposable income from labour (from 63.7% in 2010 to 68.8% in 2013).

Income inequality remains high

Compared to 2012, income inequality indicators – Gini Coefficient and Quintile Share Ratio (S80/S20) – slightly worsened in 2013. Gini coefficient increased from 35.2% to 35.5%, and it still is the highest indicator in the EU⁽¹⁾. Similar indicators were recorded in Bulgaria (35.4%), Greece (34.4%) and Portugal (34.2%). In Lithuania it was 34.6% and in Estonia – 32.9%. Quintile Share Ratio has grown from 6.3 to 6.5. And also this indicator is among the highest in the EU⁽²⁾. In Estonia – 5.5, in Lithuania – 6.1.

Almost every fifth person in Latvia is at risk of poverty

In 2013, 21.2% of the total number of resident population of Latvia were at risk of poverty. With an increase in the personal income, also at-risk-of-poverty threshold grew in 2013, reaching 260 euros monthly. In the population groups where disposable income grew more rapidly than at-risk-of-poverty threshold, also at-risk-of-poverty rate declined; in turn in the population groups where disposable income grew slower than at-risk-of-poverty threshold – at-risk-of-poverty rate increased. Increase of at-risk-of-poverty rate was mostly affected by differences in growth rate of social transfers and income from labour.

In 2013 at-risk-of-poverty rate witnessed a significant growth in the age group of 65 and over (from 17.6% in 2012 to 27.6% in 2013). If a person aged 65 and over lives alone, risk of poverty in this type of household grew even more significantly from 29.2% in 2012 to 51.1% in 2013. It can be explained with the fact that monthly old-age pensions grew on average by only 2.67 euros monthly or by 1%, while the average wages and salaries during this period of time grew by 28 euros monthly or by 5.7%.

Households with dependent children and a single parent still face high risk of poverty. In 2013 risk of poverty in these households increased by 2.8 percentage points, reaching 41.1%.

(1)  <http://ec.europa.eu/eurostat/data/database> [ile_di12] 2.04.2015.

(2)  <http://ec.europa.eu/eurostat/data/database> [ile_di11] 2.04.2015.

Data from Eurostat database for the last year available, i.e. for the survey year 2013, when in Latvia data were collected for 2012.

Household disposable income by statistical region of Latvia

(monthly disposable income, euros)

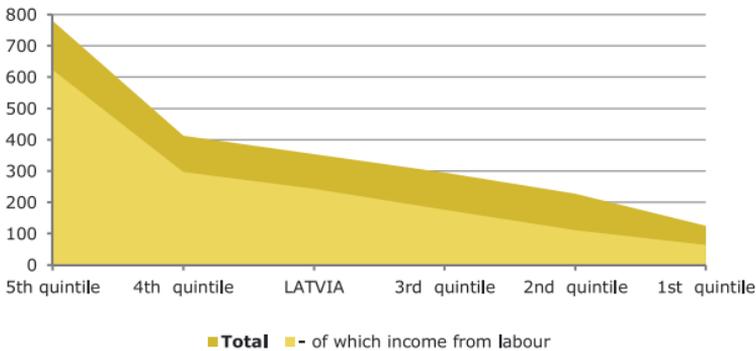
	On average per ⁽¹⁾					
	household		equivalent consumer		household member	
	2012	2013	2012	2013	2012	2013
Latvia	769	838	478	527	320	354
Riga	862	961	570	635	388	432
Pierīga	875	970	516	580	337	376
Vidzeme	659	747	392	449	260	299
Kurzeme	740	790	461	491	309	330
Zemgale	708	712	417	433	277	292
Latgale	572	603	352	385	238	264

Household disposable income structure; 2013

	Disposable income on average per household member monthly					
	total, euros	Of which by kind of income, %				
		income from labour	income from self-employment	income from property	received transfers ⁽²⁾	expenses decreasing total disposable income
Latvia	354	68.8	3.9	0.9	27.5	-1.0
Riga	432	72.0	3.3	1.5	24.6	-1.4
Pierīga	376	71.0	4.3	0.5	24.7	-0.6
Vidzeme	299	66.6	4.7	0.6	29.5	-1.4
Kurzeme	330	65.9	3.5	0.3	31.0	-0.7
Zemgale	292	68.3	3.1	0.6	28.5	-0.5
Latgale	264	58.4	5.7	0.5	36.4	-1.1

Household disposable income by quintile group; 2013

(on average per household member monthly, euros)



At-risk-of-poverty threshold (illustrative values)

	2011	2012	2013
1 person, euros per year	2 670	2 799	3 122
2 adults with two children, euros per year	5 608	5 879	6 556

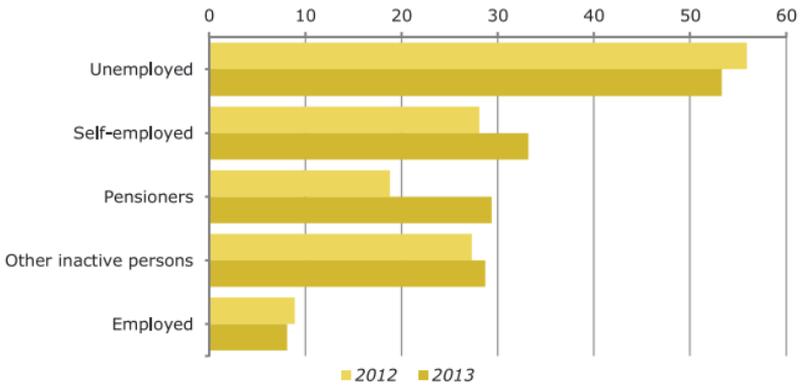
⁽¹⁾ Disposable income – cash income from labour, employee income in kind received by using company car for private needs estimated in cash, income or losses from self-employment, received pensions and benefits, regular material assistance from other households, profit from interest of deposits, dividends, shares, income received by children aged under 16, income from property rental, receipts for tax adjustments from the State Revenue Service (for business activities, eligible costs – education, medical treatment etc.).

⁽²⁾ Transfers – pensions and benefits paid by the state or municipality, child maintenance payments, scholarships, social insurance benefits and compensations, including the ones paid by other countries, as well as regular material assistance and alimony from persons living in other households.

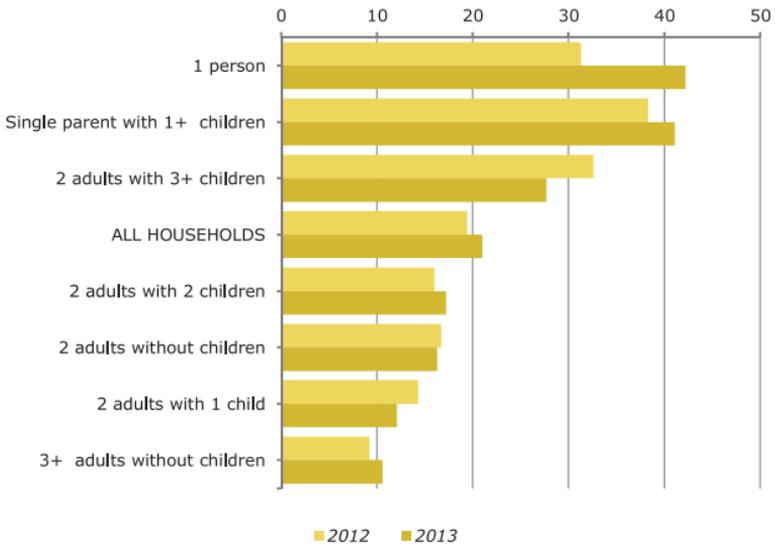
Monetary poverty and income inequality indicators

	2012	2013
At-risk-of-poverty rate, % ⁽¹⁾	19.4	21.2
Relative median at-risk-of-poverty gap, % ⁽²⁾	27.5	23.6
Gini Coefficient, % ⁽³⁾	35.2	35.5
Income Quintile Share Ratio (S80/S20) ⁽⁴⁾	6.3	6.5
Share of population subjected to risk of poverty or social exclusion, %	35.1	32.7
Women subjected to the risk of poverty, %	19.8	22.5
Men subjected to risk of poverty, %	18.9	19.5

At-risk-of-poverty index among population aged 18 and over



At-risk-of-poverty index by household type



⁽¹⁾ At-risk-of-poverty rate is the share of persons (in per cent), whose income is under 60% of the national equivalent disposable income median. In 2013, 418 thsd or 21.2% of the population were subjected to relative risk of poverty.

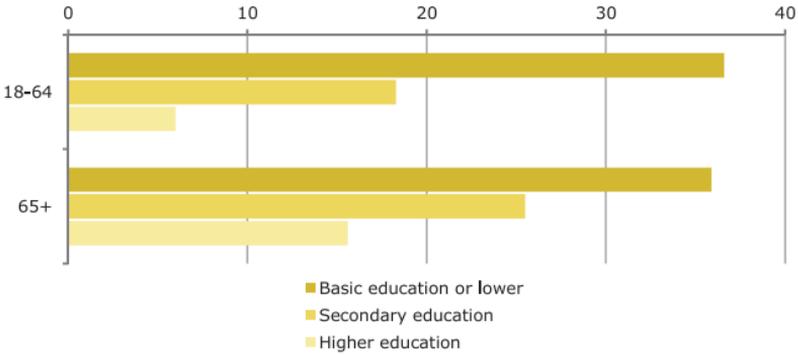
⁽²⁾ Difference (in percentage) between at-risk-of-poverty threshold and median equivalised disposable income of persons below the threshold.

⁽³⁾ Gini Coefficient shows how equally the income mass is distributed in the country. It varies from 0 to 100. Gini Coefficient is 0, if there is absolute equality of income, but the closer it gets to 100, the greater the inequality of income.

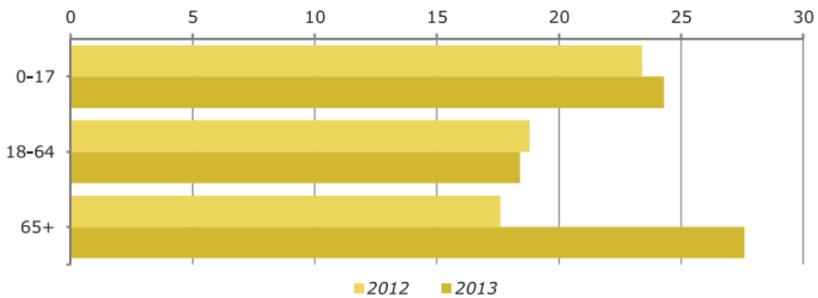
⁽⁴⁾ Ratio (in percent) of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile).

At-risk-of-poverty index by age and level of education; 2013

(as % of the total number of population with the respective level of education)



At-risk-of-poverty rate by age group



6. Consumption

Consumption expenditure increases moderately

Household Budget Survey data show moderate household consumption expenditure growth trend in 2013. The average monthly household consumption expenditure in 2013 per household member accounted for 301 euro, which is about 19 euros more than in 2012 and about 51 euro more than in 2010. Consumption expenditure growth was promoted by increase in wages and salaries (including minimum wages) and by the fact that the share of employed population grew. Consumption expenditure growth in 2013 over 2012, both in current and constant prices amounted to 6.7%. Monthly consumption expenditure of households living in urban areas in 2013 was 322 euros per household member, while in rural areas – 255 euros. In turn, households in Riga spent an average of 365 euros per household member per month, which is significantly more than in other Latvian regions.

Consumer priorities do not change

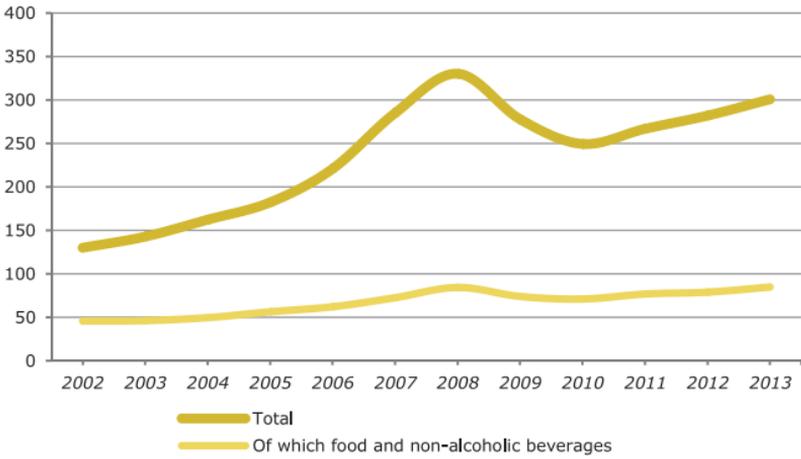
Structure of consumption expenditure is one of the indicators that largely characterise the level of welfare in the country. Also in 2013, compared to the previous years, the consumption expenditure structure has not changed significantly: households spend most on their everyday needs – food, housing utilities and transport.

Consumption expenditure depending on the number of children in the household

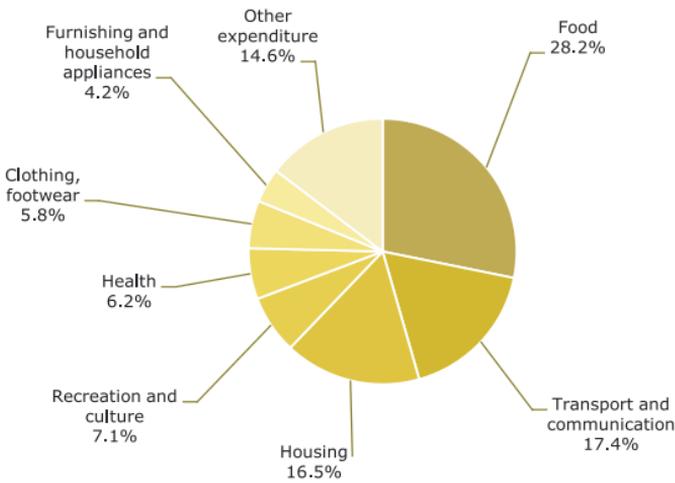
There are significant differences observed in households depending on the number of children. The more children there are in a household, the smaller the amount they can afford to spend per household member. This indicator is the lowest in households with three or more children. Their monthly average consumption expenditure in 2013 was 162 euros per household member, while in households without children this indicator was twice as large – 335 euros.

Consumption expenditure dynamics in 2002–2013

(on average per household member monthly, euros)

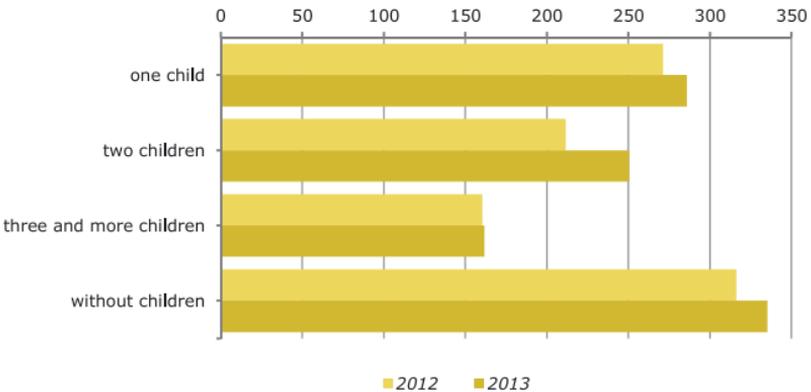


Consumption expenditure structure in 2013



Consumption expenditure depending on the number of children in the household

(on average per household member monthly, euros)



Consumption expenditure by statistical region in 2013

(on average per household member monthly)

	<i>Latvia</i>	<i>Riga</i>	<i>Pierīga</i>	<i>Vidzeme</i>	<i>Kurzeme</i>	<i>Zemgale</i>	<i>Latgale</i>
Total, euros	300.72	365.00	305.59	260.56	271.29	262.36	240.62
Food and non-alcoholic beverages	84.83	92.05	81.12	84.59	81.65	79.32	81.43
Alcoholic beverages and tobacco products	9.99	12.19	9.36	9.17	10.07	9.04	7.29
Clothing and footwear	17.42	22.92	14.70	12.14	15.65	13.25	17.59
Housing, water, electricity, gas and other fuels	49.52	63.62	47.14	39.42	45.91	45.27	35.52
Furnishing, household appliances and house cleaning	12.72	14.71	14.11	10.90	9.56	10.91	12.27
Health	18.50	23.73	17.81	13.91	16.89	14.58	15.94
Transport	39.56	45.85	48.35	35.05	32.64	36.70	26.37
Communication	12.69	15.53	12.21	12.37	10.49	11.87	9.98
Recreation and culture	21.22	27.81	23.10	17.11	18.66	16.07	13.89
Education	4.31	5.74	5.08	4.67	2.22	3.47	2.53
Restaurants, cafés and hotels	13.15	19.90	14.13	8.00	10.79	9.71	5.70
Miscellaneous commodities and services	16.82	20.96	18.48	13.24	16.77	12.18	12.12

7. Health care

The number of practising physicians in regions keeps declining

There were 7 991 physician employed in main job in 2013, and since 2010 this number has not changed significantly. A significant growth was recorded in the number of medical specialists with higher professional education - from 519 professionals in 2010 to 879 professionals in 2013. 452 residents and physicians in service are currently undergoing training in health care facilities.

The number of practising physicians (excluding dentists, but including residents and physicians in service) has not changed much in Latvia; however, at the regional level a negative trend can be observed. In Pierīga region the number of physicians compared to 2010 has decreased by almost 9%. In turn, an increase in the number of practising physicians can be seen in Riga region. 60.6% of all practising physicians are employed in Riga. Analysing the figures for the number of physicians per 10 000 population, the contrast between the regions is smaller, since the number of people living in regions also keeps declining. A serious challenge in planning of health resources is the age structure of practising physicians. In 2013 the majority of practising physicians were over the age of 65 (16.9%) and physicians aged 50 to 54 years (16.5%). Only 5.3% of doctors were 35–39 years old. Every fifth family doctor was 50–54 years old. The largest proportion of dentists are under the age of 35 - 17.7%.

Number of abortions has been decreasing

The number of deliveries has increased in Latvia: 20.1 thsd childbirths were registered in Latvia in 2013. In turn, the number of abortions has decreased over the recent years. If in 2010 there were 10.8 thsd abortions, of which 7.4 thsd were induced abortions, then in 2013 the number of abortions dropped to 8.7 thsd (induced abortions – 5.6 thsd).

Request for health care

377.0 thsd people were hospitalised in 2013, and this indicator tends to decrease (from 508.5 thsd in 2005 to 380.2 thsd in 2010). The average patient length of stay was similar like in other countries and accounted for 8.1 day. The time spent in hospitals tends to decrease: from 10 days in 2005 to 8.3 days in 2013.

EU-SILC survey results show that in 2014, 40.6% of the resident population of Latvia aged over 16 had a chronic illness or long-standing health problems, lasting for more than six months. As compared to the previous years, this indicator has been gradually increasing. Significant gender differences can be observed here: 44.6% women suffer from a long-term health problem, while among men this indicator is lower – 35.4%. Over the last five years an insignificant decrease was recorded in the number of people who needed a medical examination or treatment (except dentist), but did not have it. If in 2010 the share of such persons was 21.4%, then in 2014 it decreased to 19.2%; however it is still very high. 54.4% of the people who needed a medical examination or treatment (except dentist), but did not have it, reported that it was because they could not afford it, 18.7% wanted to wait and see if it was not becoming better after some time, 9.0% did not have time for a visit, and 8.4% considered that they had to wait too long. 9.4% did not have a medical examination due to other reasons (lack of transport, fear of doctors).

In 2014, the share of persons aged 16 and over at least once had a need for an examination or treatment by a dentist, but did not have it accounted for 21.2% (in 2013 – 21.5%). The most common reasons for not visiting a dental specialist was inability to afford dental care (82.7%), fear of dentists (6.6%), lack of time for a visit (3.4%), decision to wait and see if it was not becoming better after some time (3.2%), and other reasons (4.1%).

Incidence of serious illnesses/diseases growth

In 2013, 11 567 patients were first diagnosed cases of malignant neoplasms, and this number has increased by 9.1% as compared to 2010. Last year the most common malignant neoplasms diagnosed for the first time were skin neoplasms (1 696 patients), breast neoplasms (1 132), and the trachea, bronchus, lung (1 119) neoplasms. Women mostly suffered from breast, skin and lymphoid, haematopoietic tissue neoplasms, while men – from prostate, trachea, bronchus, lungs and skin malignancy. At the end of the year there were 74.6 thsd people in the Register of Oncological Patients. By 2013, there were 5 867 HIV positive persons in Latvia. 1 352 of the HIV positive patients had AIDS. There were 16 188 new cases of adult disability registered in Latvia in 2014, of which 5 308 – of working persons. Compared to 2013, the number of new cases of disability has decreased (in 2013 – 16 570). The most common diagnoses of disability for working persons were malignant neoplasms (27%), and diseases of musculoskeletal system (22%). In turn, each fourth not-working person with a new case of disability suffered from a disease of the circulatory system.

In 2014 there were 2 932 new and repeated cases of children disability (848 cases per 100 000 children under the age of 17).

According to the Disability Information System data on 1 January 2014 there were 161 722 persons with disabilities in Latvia. 2 042 persons had hearing disability, 8 008 – vision disability, 23 437 – had disability related to reduced mobility, and 22 534 persons suffered from mental and behavioural disability.

Healthy life expectancy

In 2012, healthy life expectancy in Latvia for men was 54.8 years, and for women – 59.1 year, which accounted for 80% and 75% of male and female life expectancy, respectively. Men spend a greater part of their life suffering from serious health problems. The difference between male and female healthy life expectancy in 2012 was 4.3 years, which is less than the difference between a newborn average life expectancy for men and women (9.8 years).

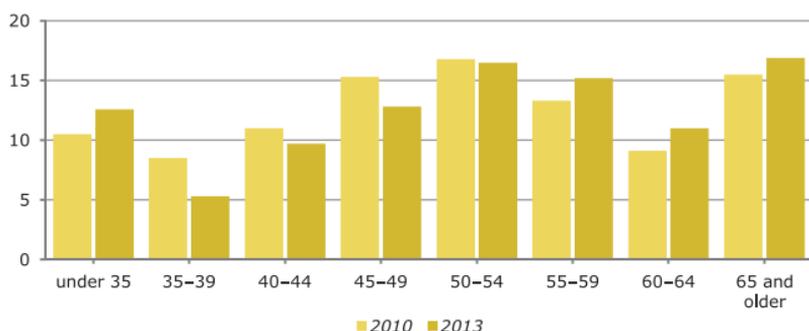
Main health care indicators

(at the end of the year)

	2010	2012	2013
Physicians of all specialities	7 951	7 998	7 991
Residents and physicians in service training	463	397	452
Specialists with higher medical professional education	519	761	879
Nurses with higher education	1 090	1 735	2 024
Health care persons with secondary medical education	13 217	12 099	11 906
Hospitals	67	66	65
Hospital beds (on average annually)	11 920	11 972	11 673

Age structure of practising physicians (¹)

(% of the total number)

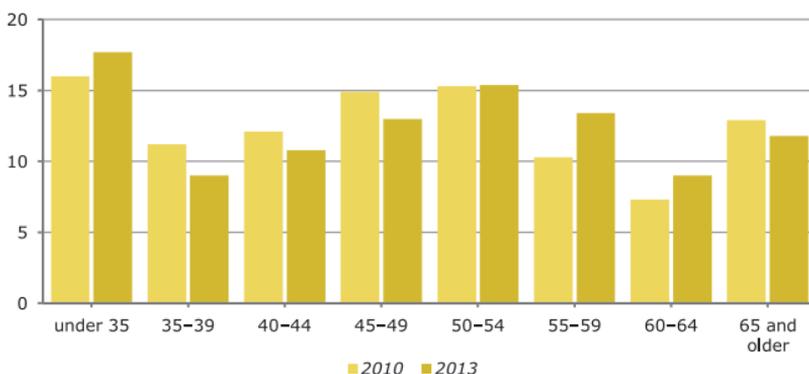


Practising physicians by statistical region

	2010	2012	2013
Latvia	6 609	6 586	6 624
Rīga	3 841	3 949	4 011
Pierīga	646	583	586
Vidzeme	476	454	446
Kurzeme	536	533	530
Zemgale	476	452	446
Latgale	634	615	605

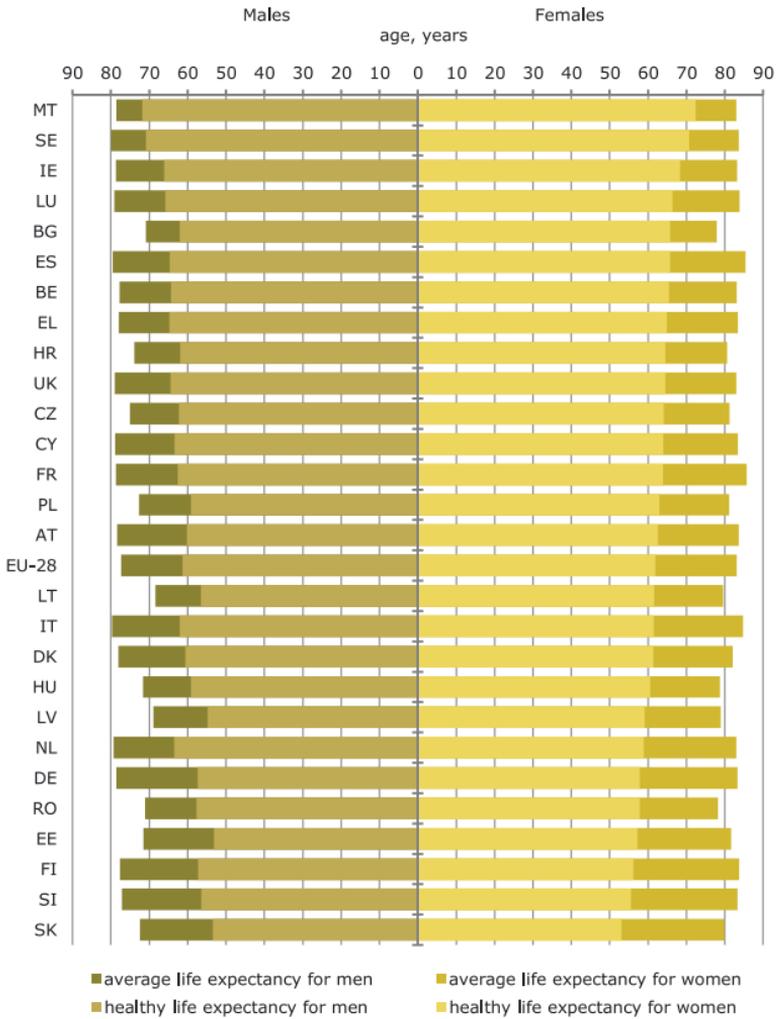
Age structure of practising dentists

(% of the total number)



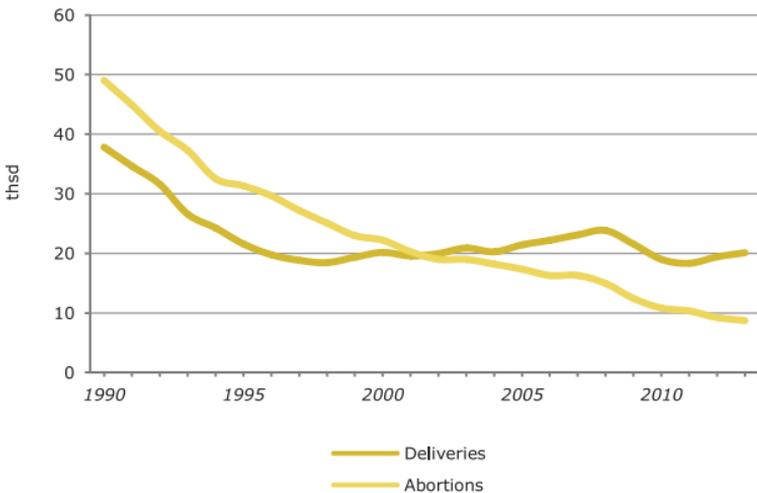
(¹) Health Inspectorate, Register of Medical Practitioners and Medical Support Staff.

Healthy life expectancy in the European Union; 2012



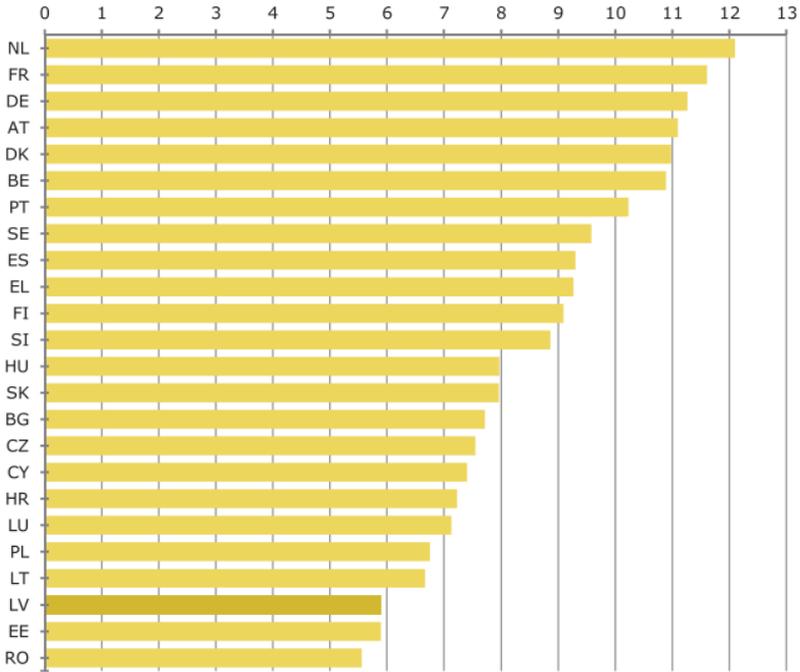
Data source: Eurostat [hlth_hlye] 24.03.2014.

Dynamics of deliveries and abortions



Expenditure on health in the EU; 2012

(as % of the GDP) ⁽¹⁾



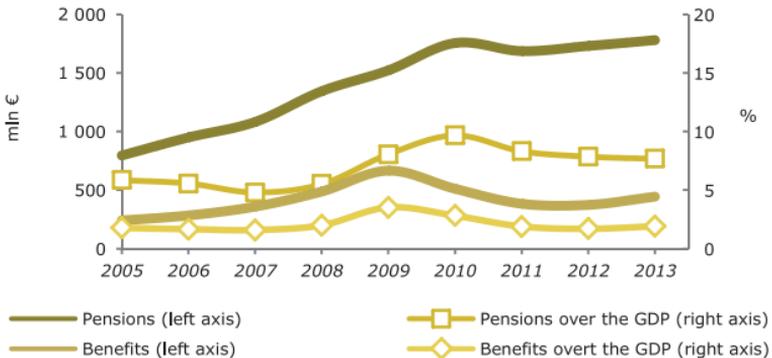
Data source: Eurostat [hlth_sha_he] 09.04.2015

8. Social protection

Expenditure on pensions and benefits has been gradually increasing

According to the data of the State Social Insurance Agency, the total expenditure on state pensions in 2013 amounted to 1 bln 779 mln euros, which is 49.5 mln euros more than in 2012. The expenditure on pensions in 2013 accounted for 7.7% of the GDP, which is 0.1 percentage point less than in 2012 (7.8% of the GDP). In turn, the total state expenditure on social benefits in 2013 was 443 mln euros, exceeding the indicator of 2012 by 70.1 mln euros. Expenditure on state benefits in 2013 accounted for 1.9% of the GDP, which is 0.2 percentage points more than in 2012 (1.7% of the GDP).

Expenditure on benefits and pensions



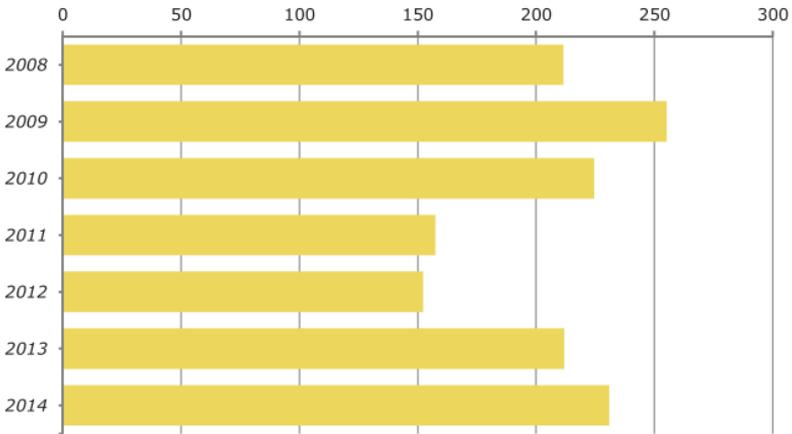
⁽¹⁾ 2011 – BG, NL, PT, SI, SK.

State social benefits

Child care benefit and parental benefit in 2014 accounted on average for 231 euros monthly. Compared to the previous year, it is an increase of 9%. According to the European System of Integrated Social Protection Statistics (ESSPROSS) data expenditure on resident population of retirement age accounted for more than a half (52.4%) of the total expenditure on social protection. The second largest expenditure group was expenditure on health care – 22.1%.

Child care and parental benefit

(average granted monthly)



State pensions

At the end of 2014, 575.5 thsd people in Latvia received state pensions. The majority or 82.0% of the pension recipients were old-age pensioners. Old-age pension was paid to 472.1 thsd people. In 2014, as compared to 2013 the monthly pension amount increased, and on average amounted to 249.77 euros. The average monthly old-age pension in 2014 was 7.06 euros larger than in 2013, and reached on average 266.26 euros.

Pension recipients and pension amount

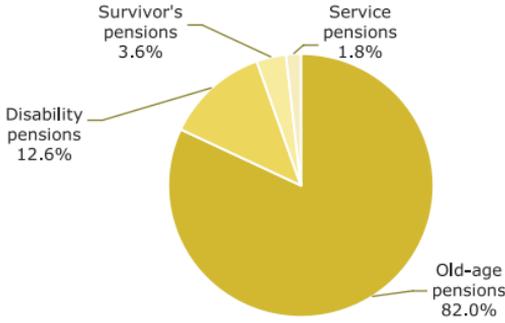
	2005	⁽¹⁾ 2010	2013	2014
Number of pension recipients, thsd	588.7	574.5	580.7	575.5
Old-age pensions	475.6	475.9	476.6	472.1
Disability pensions	73.6	69.3	71.7	72.3
Survivor's pensions ⁽²⁾	32.9	26.9	22.1	20.8
Service pensions ⁽³⁾	4.4	2.4	10.4	10.3
Average pension amount paid by pension type, euros	110.91	236.17	243.64	249.77
Old-age pensions	114.58	250.25	259.20	266.26
Disability pensions	95.18	173.49	163.29	164.42
Survivor's pensions ⁽²⁾	81.67	135.67	128.71	130.82
Service pensions ⁽³⁾	123.72	229.69	294.96	303.78

⁽¹⁾ The average size of monthly old-age pensions in 2010 does not include the amount withheld in accordance with the Law "On Payment of State Pensions and State Allowances during Time Period from 2009 to 2012", which was paid out to the old-age pension recipients in 2010.

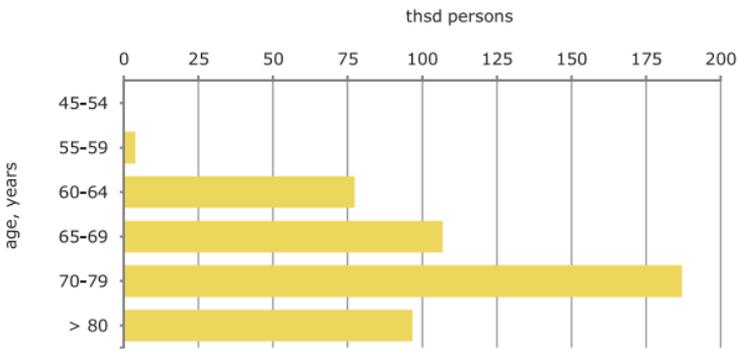
⁽²⁾ The total number of family members who are not able to work and have lost their breadwinner.

⁽³⁾ As of 2011, the number of service pension recipients includes service pensions paid by the State Social Insurance Agency from central government budget to the employees of the Ministry of Interior, diplomats, prosecutors, etc.

Pension beneficiaries by type of pension received at the end of 2014



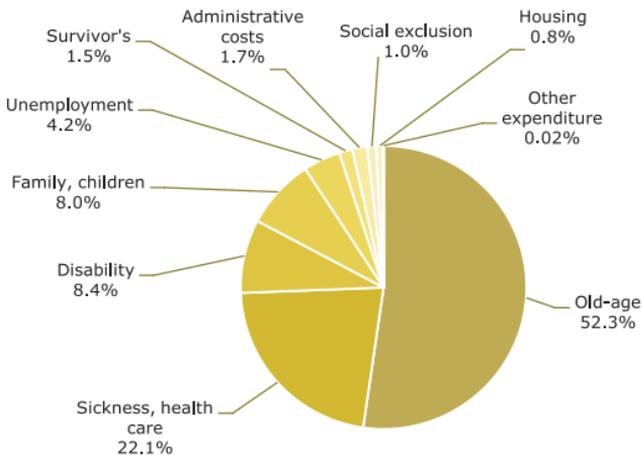
Old-age pension beneficiaries at the end of 2014



Social care indicators

	2005	2010	2012	2013
Number of persons receiving home care	9 546	8 345	9 739	10 434
Number of persons in long-term social care institutions	12 488	12 509	13 235	13 056
Number of children under guardianship	8 683	5 565	5 051	4 945
Number of children adopted from social care institutions	181	130	142	127
- children adopted in Latvia	67	64	60	62
- children adopted to foreign countries	114	66	82	65

Social protection expenditure by ESSPROS classification; 2013



9. Education

Enrolment rates are declining

During the time period from 2005 to 2014 the number of children under the age of 17 dropped by 22.4%. The share of children in Latvia (17.1%) is among the lowest in the European Union (18.8%). The situation is even more pessimistic only in Germany (16.0%), Bulgaria (16.2%) and Italy (16.7%). In Estonia and Lithuania this indicator is 18.5% and 18.3%, respectively, while the highest rate was registered in Ireland - 25.6%.

Pre-school education institutions

Positive changes can be observed in pre-school education. In 2013, 93.5 thsd children attended pre-school education establishments, which is 5.3 thsd more than in 2010. Compared to 2005, this figure has increased by 25%. Pre-schools were attended by 91.4% of all children aged 3–6 years. Out of 617 pre-school education institutions, Latvian was the language of instruction in 437 pre-school education institutions, and Russian – in 82. In 76.3% of pre-school education establishments children were taught in Latvian, and in 23.2% – in Russian. 7.2 thsd or 7.7% of those enrolled in pre-school education attended private pre-schools.

General schools

In the school year 2013/2014, 169 thsd pupils were enrolled in compulsory primary education, which is 25.8% less than in the school year 2005/2006. The number of pupils per teacher in the first level of primary education (grade 1 – 6) in Latvia is among the lowest in Europe – 11.0 children in 2012; the number was even lower in Greece, Luxembourg and Hungary. In turn, the highest rates were registered in the UK – 21.1, France and the Czech Republic – 18.9 students per teacher. Much attention has been devoted to language acquisition, which is a compulsory subject starting from grade 3. In grade 1 – 2 foreign languages are offered as an optional subject. In 2012 pupils enrolled in secondary education learnt on average 1.6 foreign languages (in the EU on average 1.5 languages). In the school year 2012/2013, 99% of all learners of grades 3 – 12 acquired foreign languages; two or more languages were mastered by 52% of pupils. The number of children who learn a foreign language already in grades 1 – 2 has been increasing. In the school year 2013/2014 foreign languages as an optional subject were acquired by 28% of the 1st grade pupils (in the school year 2010/2011 – 11.8%), and by 30% of the 2nd grade pupils. Due to the demographic situation and school reforms the number of general schools has decreased – from 1 017 schools in the school year 2005/2006 to 832 schools in the school year 2013/2014 (decrease of 18.2%). The most rapid decline in the number of schools was in registered in the school year 2009/2010 (10.7% over the previous school year).

Higher education and vocational education

Public interest in vocational education has been increasing – in 2013, 7.6% of secondary school graduates chose to continue their studies at vocational education institutions (in 2010 – 4.2%). The number of secondary school graduates who continue their education in higher education institutions in Latvia has slightly decreased.

In 2013, 59.6% of secondary school graduates continued their studies in higher education institutions (in 2012 – 62.8%). An increasing number of foreign students choose to pursue higher education in Latvian higher education establishments. In the school year 2014/2015, 5 255 young people from 86 countries study in Latvian higher education institutions. The majority of foreign students come from Germany – 841, Uzbekistan – 625, and Russia – 509. Last year the number of students from Italy, Sweden and Belarus grew rapidly.

Educational institutions

(at the beginning of the school year)

	2011/2012	2012/2013	2013/2014
Pre-school education			
Number of institutions	605	605	617
Enrolment	90 859	93 293	93 533
Pedagogic staff	9 635	9 906	9 703
General education			
Number of schools	839	832	832
Enrolment	218 442	212 433	209 130
Pedagogic staff	28 843	29 028	29 197
Vocational education			
Number of institutions	65	65	66
Enrolment	34 638	32 086	31 055
Pedagogic staff	3 102	3 112	2 899
Higher education			
Number of higher education institutions and colleges	59	61	61
Enrolment	97 041	94 474	89 671
Academic staff	4 864	4 917	4 888

Enrolment by level of education (ISCED 2011)

(at the beginning of the school year)

	2011/2012	2012/2013	2013/2014
Enrolment	428 321	418 674	408 588
Pre-primary education, aged 3 years and older (Level 0)	78 200	79 681	78 732
Basic education, stage 1 (grades 1–6)	113 462	114 089	114 660
Basic education, stage 2 (grades 7–9 and vocational basic education)	56 913	55 329	54 825
Secondary education, level 3 (grades 10–12 and secondary vocational education)	79 923	71 613	66 755
Vocational education, level 4 (post-secondary non-tertiary education)	2 782	3 488	3 945
Tertiary education (level 5, 6, 7)	94 518	91 955	87 265
Second stage of tertiary education (doctorate studies, level 8)	2 523	2 519	2 406

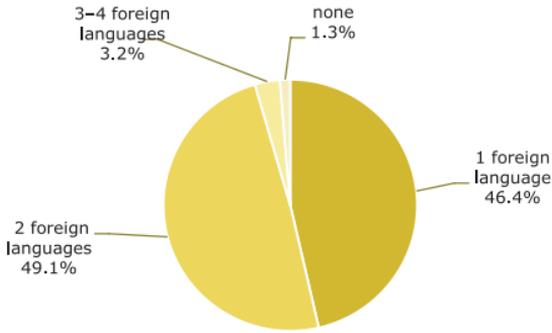
General full-time schools by statistical region

(at the beginning of the school year)

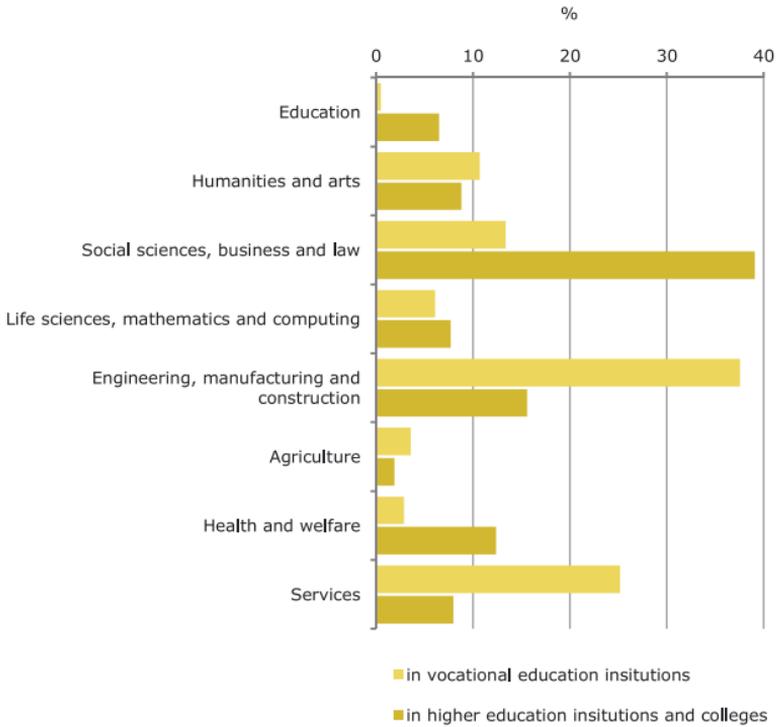
	2010/2011		2013/2014	
	number of schools	enrolment	number of schools	enrolment
Latvia	830	216 307	807	197 863
Rīga	143	65 155	144	63 534
Pierīga	134	34 059	125	32 878
Vidzeme	146	25 016	145	21 053
Kurzeme	130	31 485	125	27 295
Zemgale	120	28 047	116	24 751
Latgale	157	32 545	152	28 352

Foreign language training in the school year 2013/2014

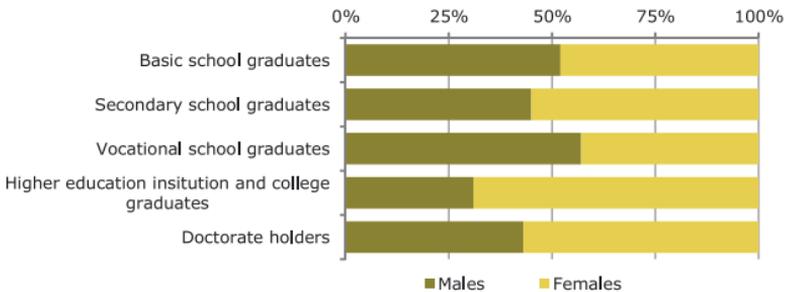
(general education schools grades 3–12)



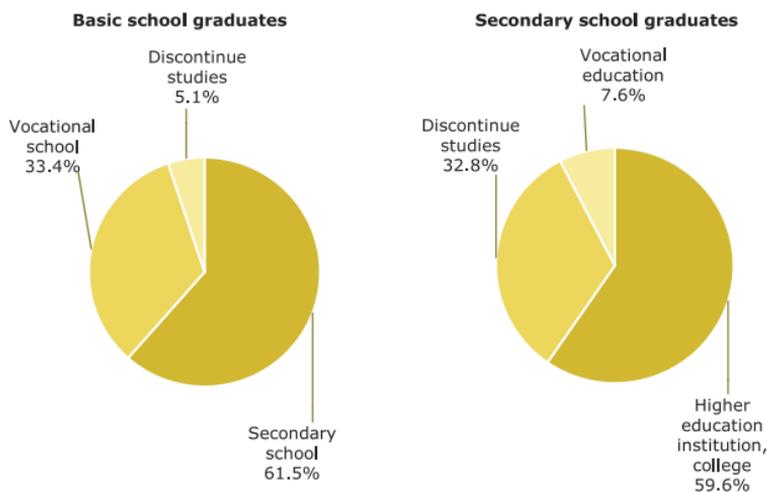
Enrolment by field of education at the beginning of the school year 2014/2015



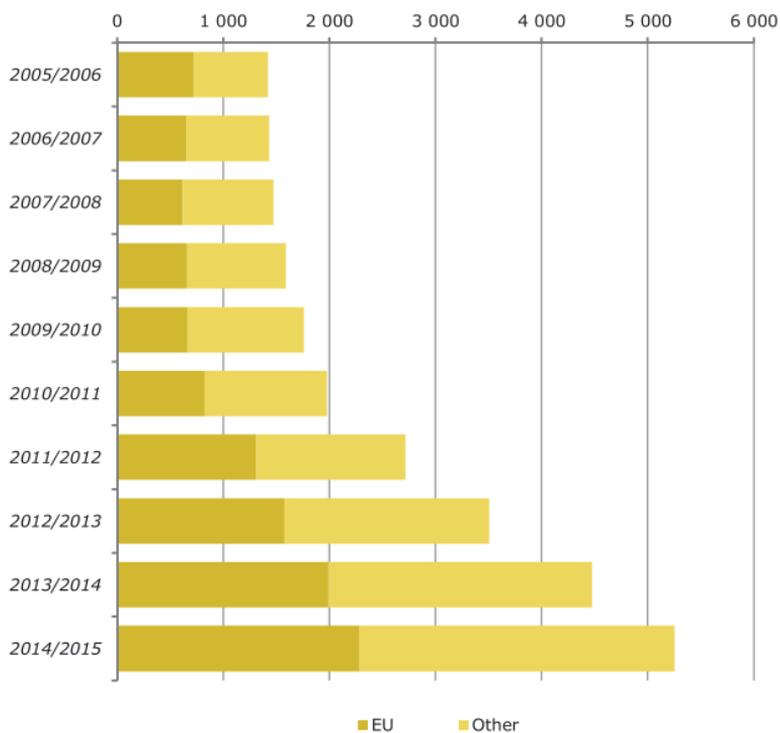
Graduates by gender; 2013



Further education



Number of mobiles students



Expenditure on education

	2010	2011
Expenditure on education, mln euros	1 138.7	1 200.3
- government expenditure	911.5	1 002.4
- private expenditure	185.2	174.9
- foreign sources of finance	42.0	23.0
Government expenditure on education as % of GDP	5.0	5.0

10. Culture

Theatre and cinema

In 2013, 3 326 performances were staged in state and local municipality theatres. Theatre attendance in 2013 increased by 17.9% as compared to 2010. The lowest level of theatre attendance of 786 thsd admissions was registered in 2009; however, from 2010 onwards this number has been increasing. Although in 2013 this figure slightly decreased as compared to the previous period, the number of admissions per 1 000 population continues to grow. If in 2010 theatre attendance per 1 000 population accounted for 402 admissions, in 2013 this number increased to 494 theatre admissions per 1 000 population.

In 2013 there were 2.38 mln cinema and culture house admissions in Latvia. The lowest attendance rate was recorded in 2009 (1.9 mln) and in 2011 (2.1 mln); however, during the last years attendance rate has been showing a positive trend. In 2012 the number of cinema admissions increased by 10.9%, and in 2013 – by 4.0%, as compared to the previous period.

Libraries

In 2013 there were 1 751 library in Latvia, and this number as compared to 2005 has dropped by 15%, while the number of public libraries (including the National Library of Latvia and the Academic Library of the University of Latvia) has decreased by 7%. The number of library issues over this period of time declined by 24%, and library issues in public libraries – by 44%, which might be related to the fact that people are increasingly more using Internet-based resources.

Printed literature

The top circulation rates of books, brochures, magazines and other periodicals were reached in 2007, but from 2008 onwards the number of printed copies has been decreasing. In 2013 circulation of books and brochures in Latvia accounted for 3.2 mln copies, of which 6.3% in foreign languages. In turn, circulation of magazines and other periodicals amounted to 37.9 mln copies, of which 7.4% in foreign languages. In 2013 reference books witnessed the highest circulation rates (955.0 thsd copies). Circulation of children's literature has grown rapidly from 356.2 thsd copies in 2010 to 843.3 thsd copies in 2013. In turn, drop was recorded in circulation of education literature, decreasing from 506.2 thsd copies in 2010 to 243.4 thsd copies in 2013. It should be noted that in 2010 education literature was among the most popular types of published literature.

In 2012, 3 318.2 thsd copies were published in Latvian, 199.9 thsd copies in foreign languages; there were also 22.7 thsd copies of dictionaries. 66% of the book and leaflet circulation were written in Latvian. Out of translated materials, 707 thsd copies or 62.7% were translations from English, 9.8% - from Russian, 7.8% - from German, and 3.5% – from Swedish.

Expenditure on recreation and culture

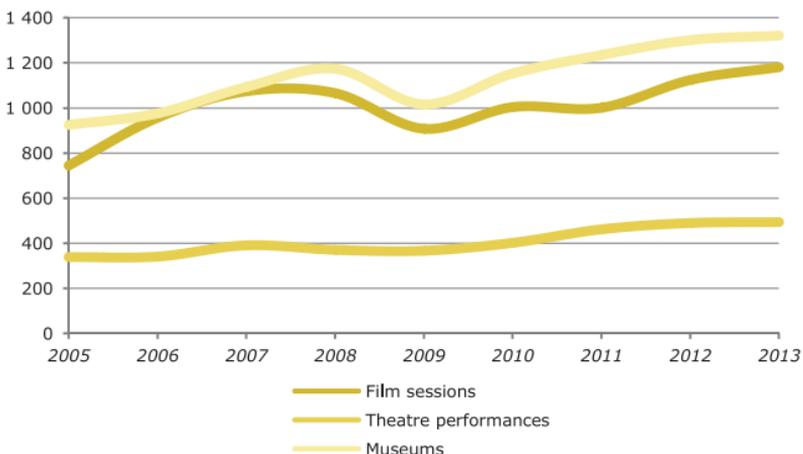
In 2013 general government expenditure (8 289.5 mln euros) on recreational, cultural and religious function accounted for 350.1 mln euros. The share of expenditure on culture has risen to 4.2% (in 2010 – 3.6%).

In turn, people's expenditure on recreation and culture has not yet returned to the pre-crisis level. In 2012 this expenditure in the total expenditure structure accounted for 7.1% (in 2008 – 8.3%) of all personal expenditure. Rural residents spent 16.48 euros monthly on recreation and culture (6.5% of all personal expenditure), in turn, people living in urban areas – 21.21 euros (7.3% of all personal expenditure); of which people living in Riga – 27.81 euros (7.6% of all personal expenditure).

Culture institutions and printed literature

	2010	2012	2013
Museums			
Number of museums (including branches; at the end of the year)	120	107	111
Number of museums (including branches; structural units and divisions; at the end of the year) ⁽¹⁾	...	141	145
Number of visitors, thsd	2 419	2 647	2 658
Attendance per 1 000 population	1 153	1 301	1 321
Cinema			
Number of cinemas (at the end of the year)	17	17	14
Attendance per 1 000 population	1 004	1 124	1 181
Theatres			
Number of theatres (at the end of the year)	9	9	9
Number of performances	3 020	3 292	3 326
Number of visitors, thsd	843	996	994
Attendance per 1 000 population	402	490	494
Libraries			
Number of libraries (at the end of the year)	1 831	1 759	1 751
- National Library of Latvia	1	1	1
- Academic Library of the University of Latvia	1	1	1
- Number of university and college libraries	52	49	50
- Specialised libraries	38	35	36
- Public libraries	829	812	811
- Libraries of general and vocational education institutions	910	861	852
Number of readers, thsd	694	551	787
Number of library issues, mln	17.4	15.2	14.7
Printed literature			
Number of published books and brochures	2 035	2 083	2 223
Circulation of published books and brochures, thsd copies	3 330.6	3 540.8	3 240.8

Attendance of museums, theatres, cinemas per 1 000 population



⁽¹⁾ Data on 2010 are not available.

11. Crime and justice

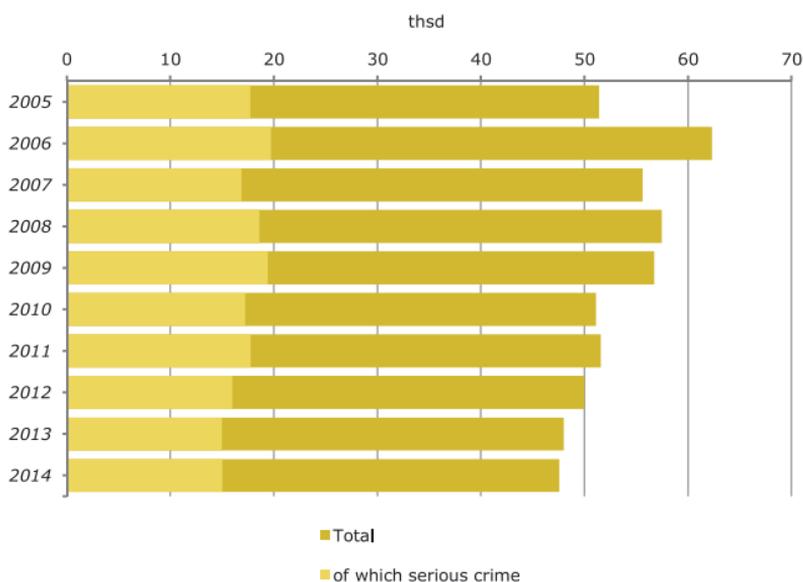
Number of recorded crime has increased slightly

The number of recorded crime rose slightly in 2014, when 48 477 crimes were registered in the country, which is 1.9% more than in 2013 (47 561). The proportion of juvenile offenders continues to decline, in 2014 to 5.5%, which is the lowest level since 1990, when this figure was 19.4%. Last year the share of women offenders has reduced (10.5%), compared to 2013, when this indicator was the highest over the last twenty years (14.8%).

Theft is still the most common type of crime

22 612 thefts (including fraud and misappropriation on a small scale), were registered in 2014, which is 46.6% of the total number of recorded crimes. Slightly, but still number of thefts in recent years has shown a downward trend: in 2014, it was 0.6% less than in 2013. Approximately one-third (in 2013 – 31.6%, in 2014 – 30.4%) of registered crimes were classified as serious. Last year the number of intentional murder increased by 13.3% – in 2014 85 murders were registered, in 2013 – 75. At the end of 2014, there were 4.7 thsd persons in Latvian prisons, which is less by one third than in 2010.

Number of recorded crimes



Number of recorded crimes

	2010	2013	2014
Recorded crimes ⁽¹⁾	51 108	47 561	48 477
Intentional homicide	82	75	85
Aggravated assault	181	217	226
Rape	79	73	75
Robbery	1 072	917	809
Property theft ⁽²⁾	25 659	22 746	22 612
Hooliganism	429	298	303
Violation of traffic regulations resulting in serious injuries	603	665	671
Illicit preparation, storage and selling of narcotics	2 189	1 637	2 765

⁽¹⁾ Including attempted crimes.

⁽²⁾ Since 2011 the number includes fraud and misappropriation on a small scale.

Offenders

	2010	2013	2014
Number of offenders ⁽¹⁾	15 848	9 450	9 164
- of the total number of offenders, %:			
Women	14.6	14.8	10.5
Juveniles	6.2	6.0	5.5

Persons convicted on crime

	2010	2013
Convicted persons	9 607	8 632
Intentional homicide	77	62
Aggravated assault	155	160
Rape	19	16
Robbery	475	444
Property theft	3 802	3 519
Hooliganism	258	135
Violation of traffic regulations resulting in serious injuries	197	165
Illicit preparation, storage and selling of narcotics	898	863

Prison population

	2010	2013	2014
Number of persons at the end of the year	6 780	5 153	4 745
Number of convicted persons	4 749	3 627	3 276
Arrested and convicted in remand prison	2 031	1 526	1 469

Fires: number and consequences

	2010	2013	2014
Number of fires ⁽²⁾	8 087	9 821	12 175
Arsons (possible reason)	699	1 227	1 444
Destroyed structures	633	793	841
Fire deaths	149	104	94
- of which children under 17 years of age	4	3	2

Justice

	2010	2013	2014
Number of specialists	2 312	2 317	1 918
Judges ⁽³⁾	414	419	426
Public prosecutors	449	449	457
Lawyers	1 329	1 336	1 349
Public notaries	120	113	112

⁽¹⁾ Accused persons.

⁽²⁾ Excluding forest fires

⁽³⁾ Judges of 1st instance courts, regional courts, supreme court.

12. Gross Domestic Product

Latvian economy continues to grow

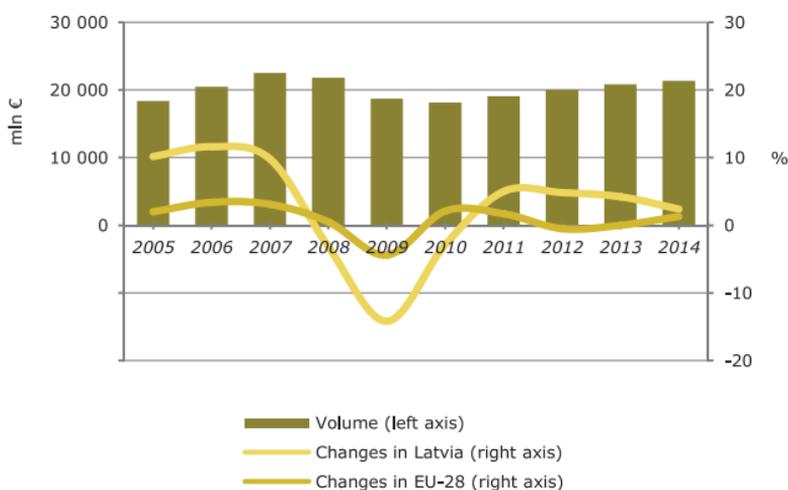
In 2011–2013 Latvian economy is among the fastest growing economies in the European Union. In 2012 GDP growth rate comprised 4.8% annually, in 2013 – 4.2%. In 2014 growth rate of Latvian economy reduced to 2.4%. In 2014 the GDP still lagged behind the level of 2007, the highest pre-crisis level, by 5.2%.

Given that the number of Latvian population continues to decline, and owing to the economic growth, in 2014 as compared to 2010, the lowest point in the recent years, GDP per capita increased significantly – by 23%.

Gross Domestic Product at current and constant prices

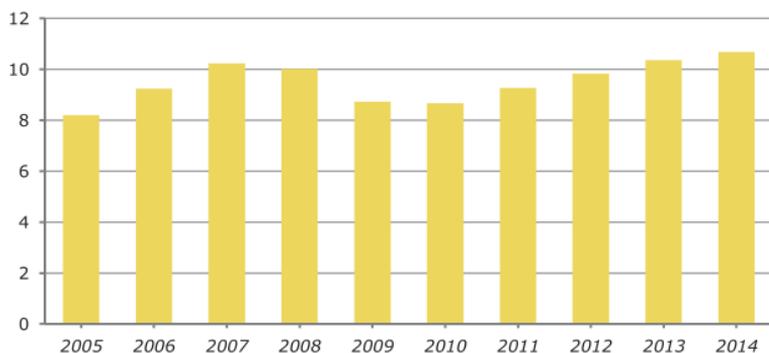
	2010	2012	2013	2014
Gross Domestic Product, mln euros				
At current prices	18 166	22 043	23 222	24 060
At constant prices of 2010	18 166	19 996	20 841	21 333
Per capita, in euros				
At current prices	8 662	10 839	11 537	12 052
At constant prices of 2010	8 662	9 833	10 354	10 686

Gross Domestic Products changes over the previous year



Gross Domestic Product per capita

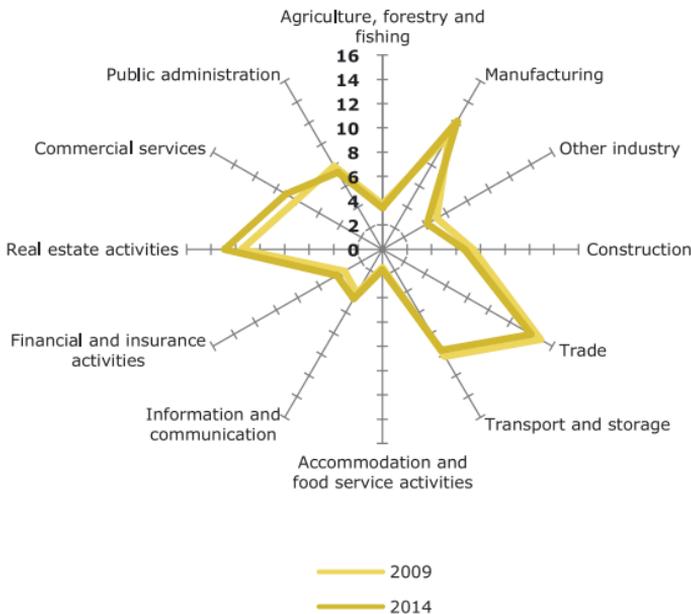
(thsd euros at constant prices of 2010)



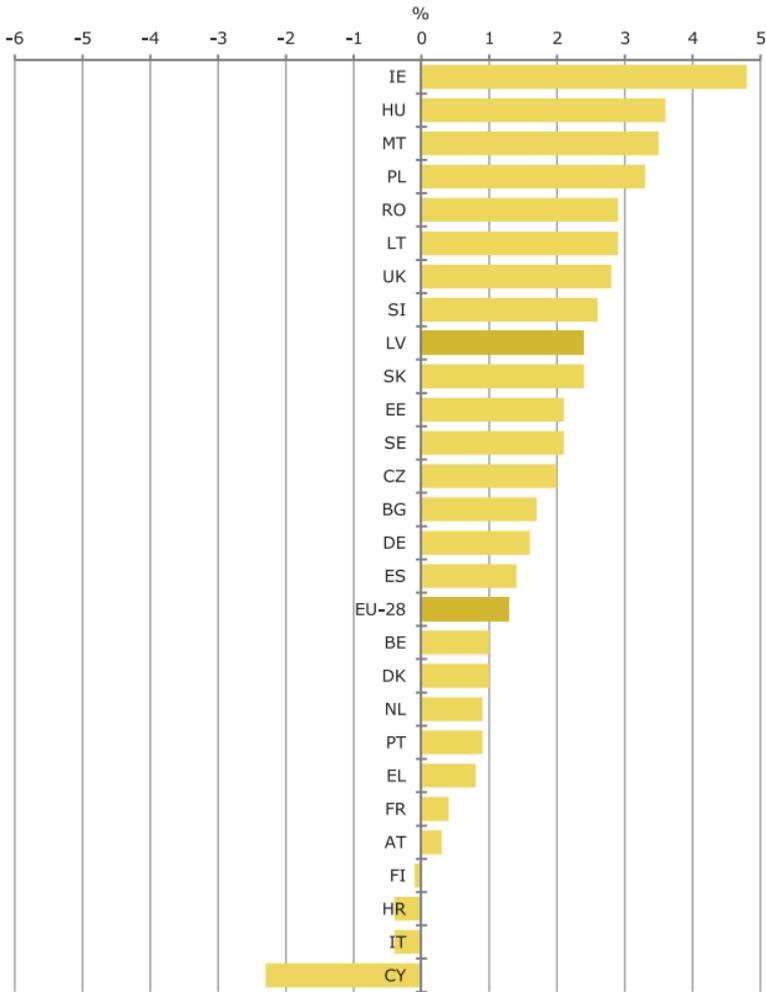
Gross Domestic Product structure and indices by type of activity; 2014

	Structure at current prices, %	At constant prices of 2010, as % in 2014 over 2013
Total		102.4
(A..T) Total value added	100	102.0
(A) Agriculture, forestry and fishing	3.4	101.5
(BCDE) Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	16.4	99.1
(F) Construction	6.7	108.1
(G,H,I) Wholesale and retail trade; repair of motor vehicles and motorcycles; transport and storage; accommodation and food service activities	25.3	102.6
(J) Information and communication	4.7	101.3
(K) Financial and insurance activities	4.3	104.7
(L) Real estate activities	12.9	99.3
(M,N) Professional, scientific and technical services; administrative and support service activities	8.0	101.1
(O,P,Q) Public administration and defence; compulsory social security; education; health and social work	15.1	103.4
(R,S,T) Arts, entertainment and recreation; other services; activities of households as employers	2.2	105.2

Changes in the structure of economy over the last five years



GDP changes in the EU countries in 2014 ⁽¹⁾



Data source: Eurostat [nama_10_gdp] 15.04.2015.

13. Price statistics

During the year consumer prices increased moderately

Consumer prices in 2014 rose by 0.2%, of which prices of services grew by 3.3%, but prices of goods reduced by 0.9%. Consumer price changes in 2014 were significantly affected by rise in prices of alcoholic beverages and tobacco, services and goods related to housing, as well as hotel and restaurant services. Prices of tobacco grew by 8.7%, and prices of alcoholic beverages by -0.2%. Increase in prices of services related to housing of 1.3% was affected by the price rise of maintenance charges in multi-occupied buildings, water supply and sewage collection. During the year, prices of hotel and restaurant services increased by 4.4%. In 2014 prices reduced on transport goods and services, including on fuel, as well as on food and non-alcoholic beverages. During the year prices of food products decreased by 0.8%, which was significantly affected by price drop on milk and dairy products, vegetables and potatoes, meat and meat products.

Administrated prices in 2014 decreased by 0.1%, while non-regulated prices grew by 0.2%.

⁽¹⁾ Data on Luxembourg are not available.

Producer prices in industry increased over a year

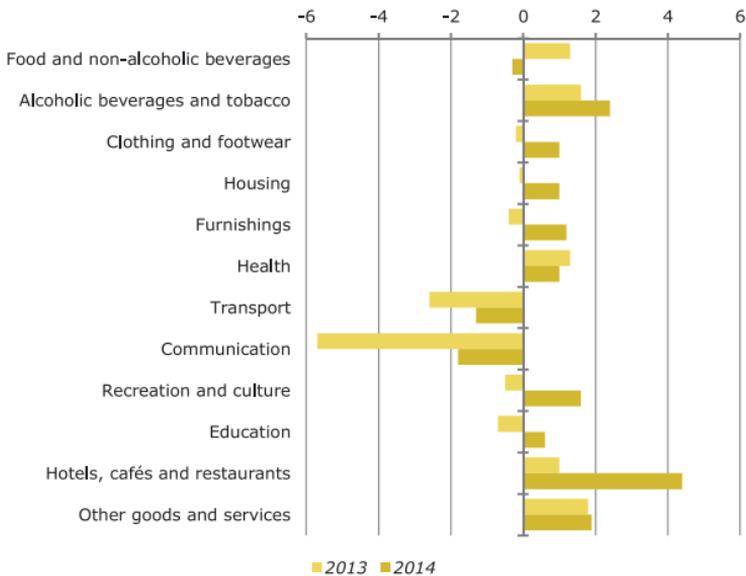
In 2014 compared to the average level of producer prices 2013 in the Latvian industry increased by 0.4%. Prices of products sold on the domestic market increased by 0.2%, but prices of exported products – by 0.6%. The largest upward impact on the average price level was put by manufacture of wood and articles of wood (except furniture), while decrease in the price of manufacture of computer, electronic and optical products had the most significant lowering impact.

Price indices (2010=100)

	2010	2011	2012	2013	2014
Consumer price index	100	104.4	106.7	106.7	107.4
Producer price index in industry	100	107.7	111.6	113.4	113.8
Construction cost index	100	102.1	109.0	111.8	112.2
Export unit value index	100	110.6	114.7	116.8	115.2
Import unit value index	100	110.4	118.6	119.2	118.6

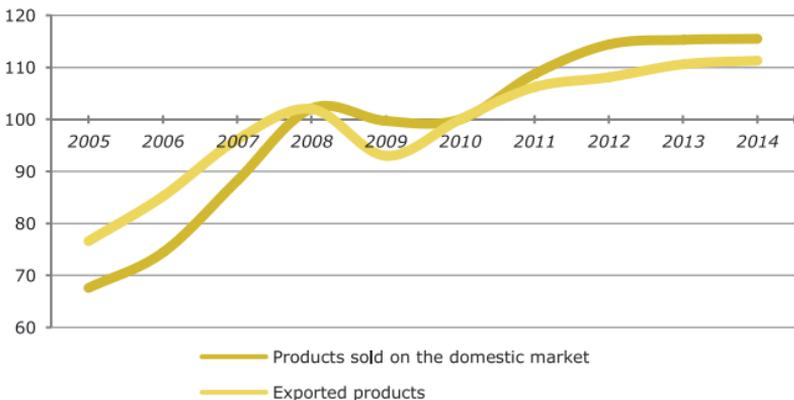
Price changes of consumer goods and services in 2014

(as % over the previous year)



Producer price indices by industrial activity (2010=100)

2000=100

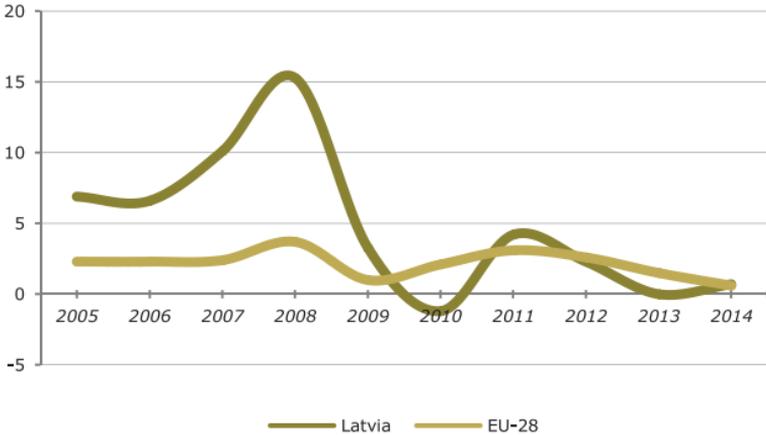


Producer prices in industry in 2014

	Weight, %	Price changes over the previous year, %
Total industrial production	100	0.4
Mining and quarrying	2.1	0.7
Manufacturing	73.5	0.4
Electricity, gas, steam and air conditioning supply	20.4	0.4
Water supply; sewerage, waste management and remediation activities	4.0	1.3

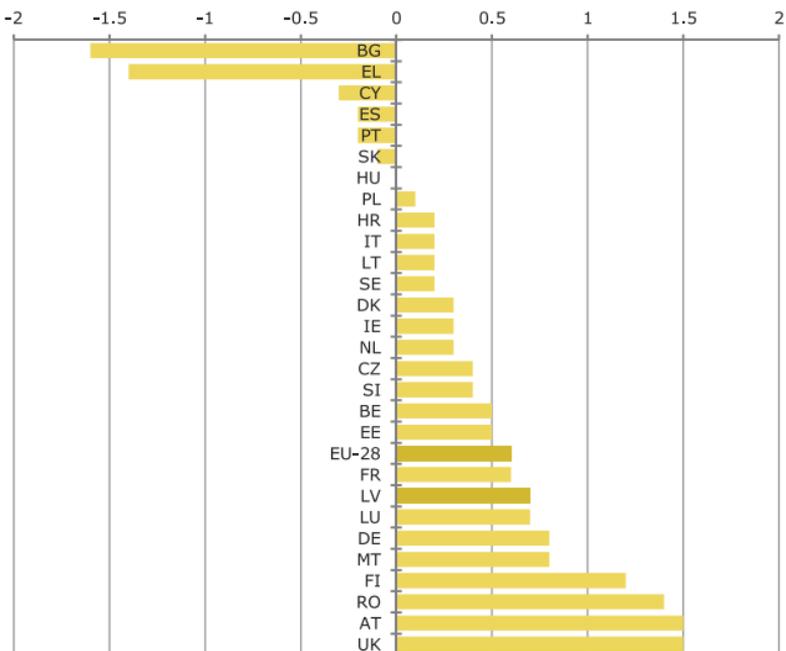
Harmonised Index of Consumer Prices

(changes over the previous year, %)



Harmonised Index of Consumer Prices in the EU countries

(2014 changes over the previous year, %)



Data source: Eurostat [tec00118] 12.02.2015.

14. Government finances

General government budget revenue increases

For the third consecutive year general government tax and social contribution receipts keep increasing, and in 2014 reached 6 768.2 mln euros or 28.1% of the GDP, which is an increase of 317.5 mln euros compared to 2013 and more by 1 678.9 mln euros than during the economic crisis in 2009. Increase of tax and social contribution receipts indicates that the economic situation in the country is improving.

Structure of general government expenditure

Almost one third (31.2%) of total general government expenditure in 2013 was expenditure on social protection – pensions, benefits and other forms of social support. 15.7% of the expenditure was allocated to education, while 13.0% – to economic affairs. Expenditure on general public services and health sector accounts for 13.2% and 10.0%, respectively. The remaining share of expenditure is directed to public order and safety, recreation, culture and religion, housing and community amenities, and environmental protection, allocating to each of these positions less than 5.5% of total expenditure.

General government deficit and debt

General government deficit in 2014 was 347.0 euros or 1.4% of GDP, which is more by 174.9 mln euros than in the previous year.

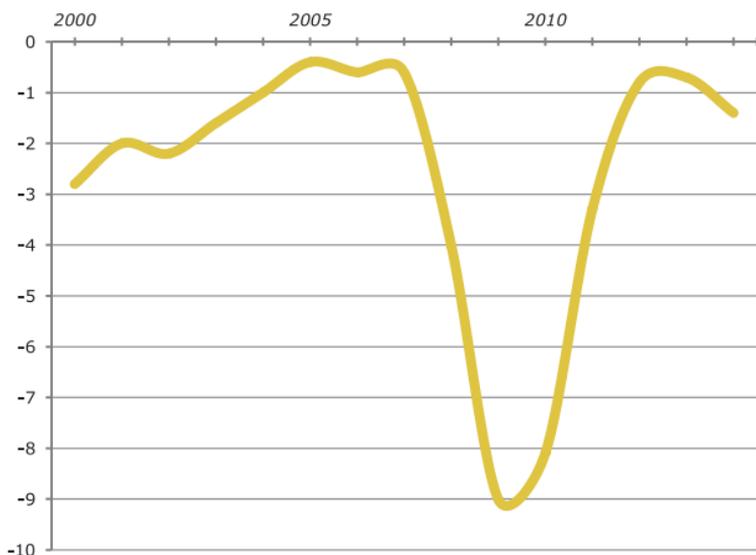
For the first time in recent years, general government debt increased in absolute terms, and in 2014 it accounted to 9 633 mln euros, which is 757 mln euros more than in 2013. Debt as % of GDP in 2014 was 40.0%, which is more by 1.8 percentage points, compared to the previous year.

Key indicators of general government sector

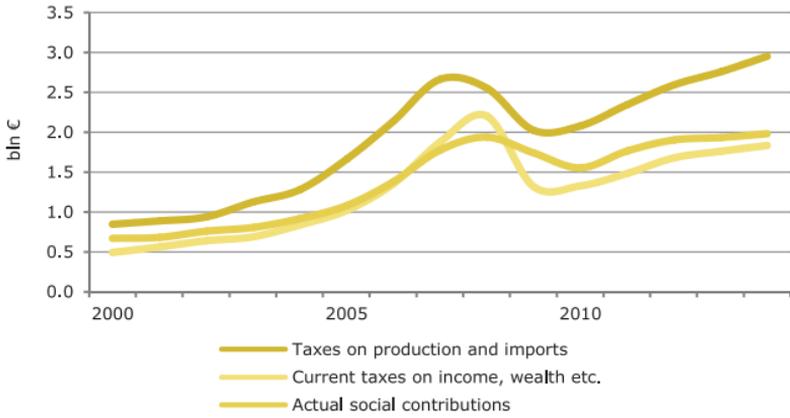
	2010	2013	2014
Revenue, mln euros	6 528.3	8 197.3	8 535.0
Expenditure, mln euros	7 993.2	8 369.4	8 882.1
Deficit, mln euros	-1 464.8	-172.1	-347.0
Deficit, % over GDP	-8.1	-0.7	-1.4

General government deficit

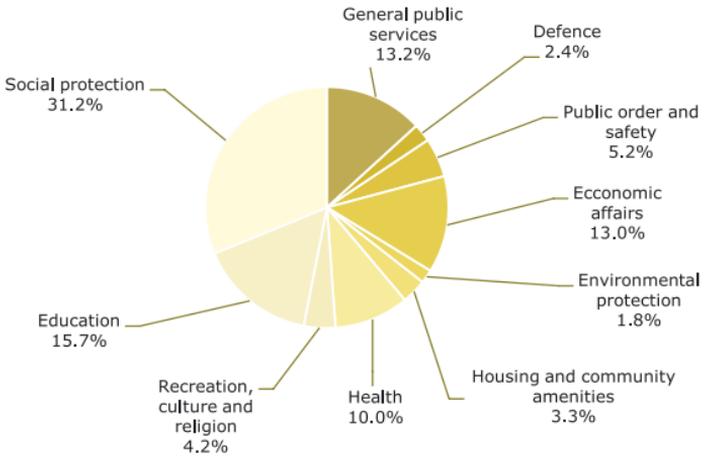
(% over GDP)



General government revenue



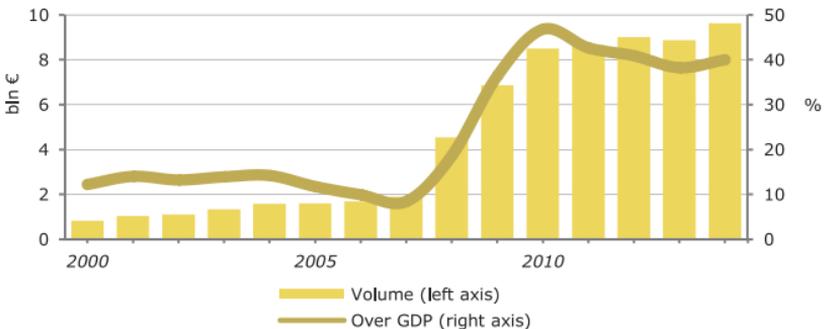
General government expenditure structure; 2013



General government debt in breakdown by sub-sector ⁽¹⁾

	2010	2013	2014
General government, mln euros	8 496.5	8 875.9	9 633.2
Central government, mln euros	8 643.6	8 629.2	9 505.0
Local government, mln euros	1 177.1	1 365.1	1 428.9
Social security fund, mln euros	0.01	0.00	0.00

General government debt



⁽¹⁾ Consolidation was carried out in each sub-sector but not across the sub-sectors.

15. Investment

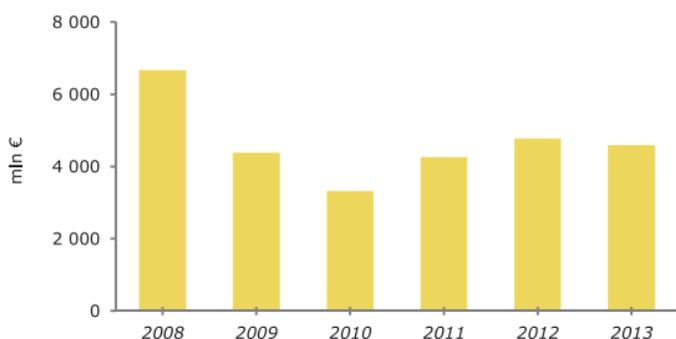
The largest volume of non-financial investment in transport and storage

In 2013, after two year rise, non-financial investment at constant prices reduced by 5% and comprised 4.7 bln euros. Volume of non-financial investment was significantly affected by construction of separate large objects and purchases of machinery, equipment. General reduction in 2013 was partially compensated by increase of non-financial investment in state and local government budget institutions. Sectors with the largest share of investment: transport and storage sector – 717.5 mln euros or 15.6% of total non-financial investment; public administration and defence, compulsory social security – 612.1 mln euros or 13.3%; real estate activities – 592.1 mln euros or 12.9%; manufacturing – 448.9 mln euros or 9.7%; electricity, gas, steam and air conditioning supply – 435.9 mln euros, or 9.5%.

Especially it must be noted that, compared to 2012, non-financial investment in 2013 rose significantly (by 76% at constant prices) in arts, entertainment and recreation sector, which is mainly due to construction and reconstruction of several significant objects.

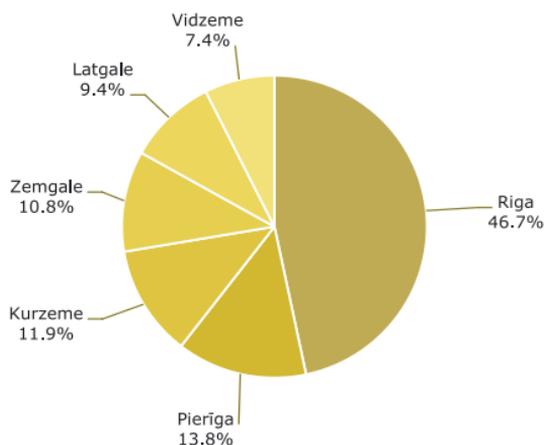
Non-financial investment

(at constant prices of 2013)



Of all non-financial investment made in 2013, 47% was invested in Riga region; besides, only 44% were invested in residential buildings, other buildings and structures (average in the country – 51%).

Non-financial investment by statistical region; 2013



Non-financial investment by statistical region

(at constant prices of 2013)

	<i>Non-financial investment</i>		<i>of which residential buildings, other buildings and structures</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
	Total, mln euros	4 833.6	4 607.3	2 414.4
Rīga	2 221.2	2 152.8	928.1	954.0
Pierīga	619.9	636.7	367.8	316.7
Vidzeme	417.0	341.2	231.5	190.5
Kurzeme	759.9	546.2	354.1	332.6
Zemgale	483.4	496.0	315.8	295.5
Latgale	332.3	434.4	217.1	250.7

Non-financial investment in tangible and fixed assets by main kind of economic activity

(at current prices)

<i>NACE</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Total, mln euros	3 964.7	4 743.6	4 607.3
(A) Agriculture, forestry and fishing	295.3	332.1	347.0
(B) Mining and quarrying	31.0	39.1	48.0
(C) Manufacturing	560.8	634.6	448.9
(D) Electricity, gas, steam and air conditioning supply	474.6	541.8	435.9
(E) Water supply; sewerage, waste management and remediation activities	90.1	149.9	171.2
(F) Construction	188.3	140.4	151.8
(G) Wholesale and retail trade; repair of motor vehicles and motorcycles	273.9	361.0	328.1
(H) Transport and storage	540.9	745.3	717.5
(I) Accommodation and food service activities	46.0	42.1	63.8
(J) Information and communication	130.8	154.6	159.0
(K) Financial and insurance activities	65.7	63.9	62.6
(L) Real estate activities	334.7	532.5	592.1
(M) Professional, scientific and technical services.	53.3	89.3	76.7
(N) Administrative and support service activities.	71.5	95.1	103.9
(O) Public administration and defence; compulsory social security	569.2	562.0	612.1
(P) Education	81.0	101.0	92.0
(Q) Human health and social work activities	116.8	111.8	119.3
(R) Arts, entertainment and recreation	34.7	38.6	69.0
(S) Other services	6.2	8.3	8.5

16. Foreign trade

Foreign trade turnover increases

In 2014 Latvia exported goods in the total amount of 10 235.8 mln euros, and imported goods in the amount of 12 633.4 mln euros. Compared to 2013 the total foreign trade turnover increased by 212.8 mln euros or 0.9%. As exports grew and imports reduced, foreign trade balance improved slightly in 2014 – the share of exports in total foreign trade volume amounted to 44.8% (in 2013 it was 44.2%).

Most important goods in exports and imports

In 2014 Latvia mostly exported machinery and mechanical appliances; electrical equipment – they accounted for 16.8% of the total exports value. It was followed by wood and articles of wood – 16.6%, and by prepared foodstuffs – 9.4%. Base metals and articles of base metals comprised 9.1% of the total exports value.

Among the most imported commodities there are machinery, mechanical appliances and electrical equipment – 20.0% of the total value of imports, mineral products – 14.6%, products of chemical and allied industries – 9.5%.

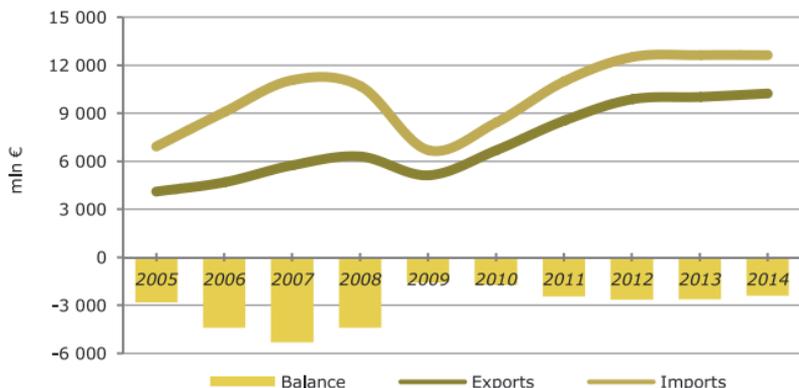
Commodity exports and imports growth trends

In 2014 exports of machinery and mechanical appliances; electrical equipment increased by 155.3 mln euros or 9.9%, but exports of wood and articles of wood grew by 106.9 mln euros or 6.7%. At the same time, a drop of 121.3 mln euros or 11.5% was registered in exports value of base metals and articles of base metals. Imports of machinery and mechanical appliances; electrical equipment increased by 200.6 mln euros or 8.6%, but imports of wood and articles of wood grew by 83.0 mln euros or 33.5%. Imports of mineral products decreased by 325.9 mln euros or 15.0%.

Main exports and imports partners

In 2014 in the total Latvian exports, dispatches of goods to the European Union countries amounted to 7 424.2 mln euros or 72.5%, while exports to the CIS countries – 1 530.0 mln euros or 15.0%. Exports to other countries amounted to 1 281.6 mln euros or 12.5%. The main exports partners were Lithuania – 18.7% of total exports, Estonia – 11.8%, Germany – 6.9% and Poland – 6.5%. In trade with Russia the share of exports amounted to 10.8%. In turn, in the total Latvian imports, arrivals of goods from the European Union countries in 2014 accounted for 10 073.8 mln euros or 79.7%, while imports from the CIS countries – 1 504.5 mln euros or 11.9%. Imports from other countries accounted for 1 055.1 mln euros or 8.4%. Main imports partners were Lithuania – 17.6% of total imports, Germany – 11.4%, Poland – 11.2% and Estonia – 7.7%. In trade with Russia the share of imports amounted to 8.1%.

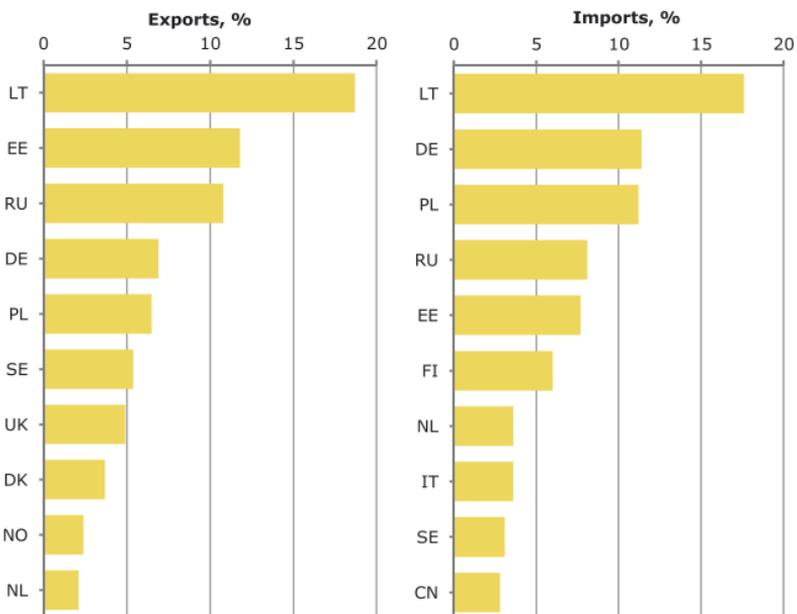
Foreign trade balance



Principal exports and imports in 2014

	<i>mln euros</i>	<i>%</i>
Exports	10 235.8	100
Machinery and mechanical appliances; electrical equipment	1 716.3	16.8
Wood and articles of wood	1 700.9	16.6
Prepared foodstuffs	957.6	9.4
Base metals and articles of base metals	930.4	9.1
Mineral products	849.0	8.3
Products of the chemical and allied industries	699.0	6.8
Vegetable products	556.3	5.4
Transport vehicles	525.1	5.1
Live animals and animal products	440.8	4.3
Textiles and textile articles	411.1	4.0
Miscellaneous manufactured articles	319.6	3.1
Plastics and articles thereof; rubber and articles thereof	317.1	3.1
Goods not elsewhere specified	812.6	7.9
Imports	12 633.4	100
Machinery and mechanical appliances; electrical equipment	2 527.5	20.0
Mineral products	1 844.9	14.6
Products of the chemical and allied industries	1 203.5	9.5
Base metals and articles of base metals	1 046.9	8.3
Prepared foodstuffs	980.2	7.8
Transport vehicles	960.4	7.6
Plastics and articles thereof; rubber and articles thereof	735.9	5.8
Textiles and textile articles	580.4	4.6
Vegetable products	498.5	3.9
Live animals and animal products	422.6	3.3
Miscellaneous manufactured articles	348.8	2.8
Wood and articles of wood	331.0	2.6
Goods not elsewhere specified	1 152.9	9.1

Share of main partners in exports and imports of goods in 2014



Main partners and principal goods in foreign trade; 2014

(mln euros)

	<i>Exports</i>		<i>Imports</i>	
Lithuania	1 918.0	Lithuania	2 227.9	
- Machinery and mechanical appliances; electrical equipment	429.3	- Mineral products	562.2	
- Agricultural and food products	380.1	- Agricultural and food products	528.7	
- Mineral products	323.7	- Machinery and mechanical appliances; electrical equipment	276.8	
Estonia	1 208.7	Germany	1 441.8	
- Agricultural and food products	234.9	- Transport vehicles	352.3	
- Machinery and mechanical appliances; electrical equipment	213.7	- Machinery and mechanical appliances; electrical equipment	332.6	
- Wood and articles of wood	129.7	- Plastics and articles thereof; rubber and articles thereof	140.2	
Russia	1 102.8	Poland	1 420.5	
- Agricultural and food products	513.3	- Machinery and mechanical appliances; electrical equipment	433.4	
- Machinery and mechanical appliances; electrical equipment	182.3	- Agricultural and food products	236.1	
- Products of the chemical and allied industries	103.5	- Products of the chemical and allied industries	129.0	
Germany	702.3	Russia	1 022.2	
- Wood and articles of wood	185.0	- Mineral products	513.8	
- Machinery and mechanical appliances; electrical equipment	92.2	- Base metals and articles of base metal	188.5	
- Base metals and articles of base metal	83.7	- Products of the chemical and allied industries	94.8	
Poland	664.1	Estonia	969.4	
- Mineral products	230.3	- Agricultural and food products	202.0	
- Machinery and mechanical appliances; electrical equipment	103.1	- Machinery and mechanical appliances; electrical equipment	131.4	
- Base metals and articles of base metal	99.7	- Transport vehicles	125.6	

Exports and imports according to BEC Classification

(at current prices)

	<i>Exports</i>		<i>Imports</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
Total, mln euros ⁽¹⁾	10 021.3	10 235.8	12 635.1	12 633.4
Capital goods	1 147.3	1 286.2	1 709.6	1 819.7
Intermediate goods	5 432.4	5 406.6	5 885.6	5 729.3
Consumption goods	2 608.6	2 659.6	3 207.4	3 364.0
Goods not elsewhere specified	698.1	678.4	1 310.4	1 140.8
Passenger cars ⁽²⁾	117.9	188.7	351.7	424.2
Motor spirit ⁽²⁾	17.0	16.3	170.4	155.4

⁽¹⁾ BEC – Classification by Broad Economic Categories.

⁽²⁾ These commodities are included into several BEC categories.

17. Key business indicators

Turnover in trade – 48%

The total turnover of goods and services in 2013 accounted for 52 bln euros, of which the largest share – 25.1 bln euros, or 48.3% in trade. In service and industrial sectors this figure was 11.6 bln euros or 22.3% and 11.1 bln euros, or 21.3%, accordingly, but in construction – 4.2 bln euros, or 8%. Compared to the previous years, in 2013 turnover increased by 4.2%, of which in construction by 8.7%, in trade – by 5.8%, in services sector – by 4%, but in industry – reduced by 0.7%.

Production value is the largest in services sectors

Compared to 2012, the production value of enterprises in 2013 increased by 4%, of which in construction – by 10.7%, in trade – by 5.4%, in services sector – by 4.5% and in industry – by 0.1%. In 2013 companies altogether produced goods in the amount of 29.1 bln euros (at current prices), of which the largest share was produced by enterprises of the services sector – 10.1 bln euros or 34.7%, and by industrial enterprises – 9.8 bln euros or 33.8%. Production value of trade and construction enterprises amounted to 4.9 bln euros or 16.9% of the total production and 4.3 bln euros or 14.6% of the total production value.

Increase of value added at factor cost – in all sectors

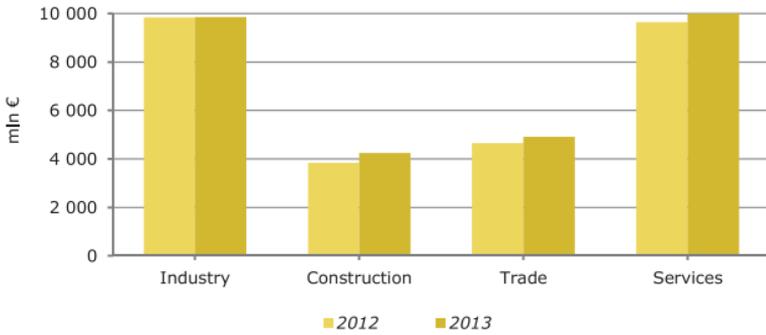
Compared to 2012, enterprise value added at factor cost in 2013 increased by 4.3%, of which in construction – by 10.2%, in services sector – by 5.6%, in industry – by 3.2% and in trade – by 1.1%. The largest value added at factor cost at current prices, like in the previous year, was created in services sector – 3.9 bln euros or 40.6% of the total added value. It was followed by industry and trade – 2.8 bln euros (28.8%) and 2.1 bln euros (21.9%), respectively. In construction this indicator comprised 0.8 bln euros or 8.6% of the total volume. Each person employed in 2013 created value added in the amount of 16.3 thsd euros, and compared to 2012, the value added per employee increased by 1.7%, of which in construction – by 5.9%, in services sector – by 1.6%, in trade – by 1.5% and in industry – by 0.4%. The largest value added per person employed was registered in industry – 19.3 thsd euros, was followed by services sector – 16.9 thsd euros, trade – 13.8 thsd euros and construction – 13.3 thsd euros.

Gross investment in tangible goods witnessed drop

Expenditure structure of enterprises shows that the largest share of expenditure was formed by costs for purchase of goods and services – 43.7 bln euros (at current prices) or 84.4% and, compared to 2012, they rose by 4.4%. But personnel costs comprised 4.9 bln euros (9.4% of total costs) and, compared to the previous year, they rose by 8.8%. Gross investment in tangible goods comprised 3.2 bln euros (6.2% of total costs) which, compared to 2012, reduced by 4.6%. Reduction of gross investment in tangible goods was in industry – by 24.2% and in trade – by 15.1%, but in services and construction it rose by 12.5% and 8%, respectively. The largest capital investment in 2013 was made in enterprises of services sector, where it accounted for 55.2% of all capital investment in the surveyed kinds of activity. Majority of them was in transport and storage sector – 42.1% and in real estate activities – 39%. Services sector was followed by industry with 30.4% of capital investment, and there majority was comprised by investment in electricity, gas, steam and air conditioning supply enterprises – 44%.

Compared to 2012, the largest increase in personnel costs was registered in construction – 15.3% and services – 9.7%, which was followed by industry – 7% and trade – 6.7%. Compared to 2012, expenditure on purchase of goods and services in 2013 mostly increased in construction – 7.9% and trade – 6.1%, which was followed by services – 3.8%. But in industry expenditure on purchase of goods and services reduced by 0.5%.

Production value by type of activity



Key business indicators by kind of activity; 2013

(at current prices)

NACE	Turnover	Value added at factor cost	Total purchase of goods and services	Personnel costs
(B–N; 95 without K) Total, mln euros	51 979.4	9 590.3	43 709.9	4 868.5
(B–E) Industry	11 094.7	2 766.2	8 607.1	1 294.2
(F) Construction	4 173.3	827.8	3 403.9	483.6
(G) Wholesale and retail trade; repair of motor vehicles and motorcycles	25 117.7	2 102.0	23 340.3	1 112.4
(H–N; 95 without K) Services	11 593.6	3 894.3	8 358.5	1 978.3

18. Industry

Industrial production witnesses decrease

Compared to 2013 industrial production output in 2014 declined by 1.1%. It was affected by production drop in manufacturing – of 0.3%, and in electricity and gas supply – of 4.7%, whereas in mining and quarrying there was an increase of 2.7%. Decrease in manufacturing production was affected by production drop in manufacture of basic metals of 49.3%, in repair and installation of machinery and equipment – of 25.1%, in manufacture of wearing apparel – of 16.7%, and in manufacture of beverages – of 10.5%. In 2014 manufacturing output grew in sectors having the largest share: in wood processing – by 6.9%, in metalworking – by 2.1%, and in manufacture of food products - by 1.6%. As compared to 2013 manufacturing turnover in 2014 decreased by 1.3%; 61.6% (in 2013 – 61.7%) of the products sold were exported.

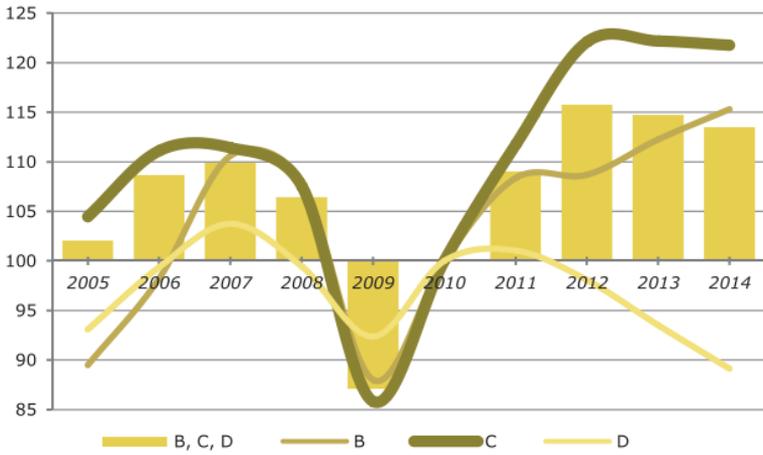
Industrial Production Volume Index

(at constant prices)

NACE	as % over the previous year		2010=100	
	2013	2014	2013	2014
(B, C, D) Industrial production	99.1	98.9	114.7	113.5
(B) Mining and quarrying	103.3	102.7	112.3	115.3
(C) Manufacturing	100.1	99.7	122.2	121.8
(D) Electricity and gas supply	95.4	95.3	93.5	89.1

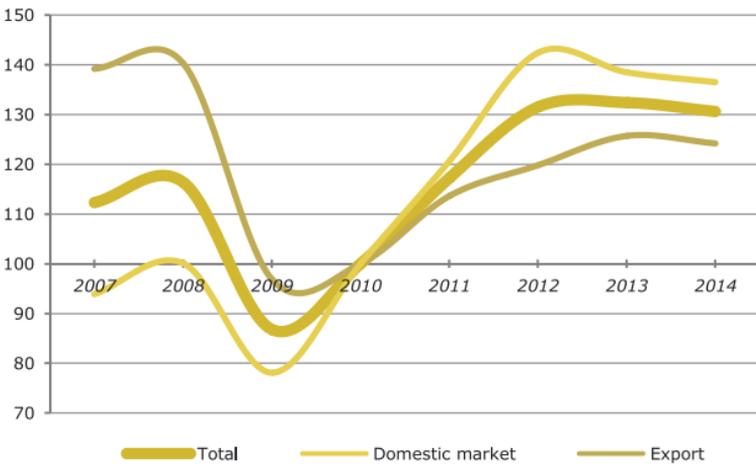
Industrial Production Volume Index

(2010=100)



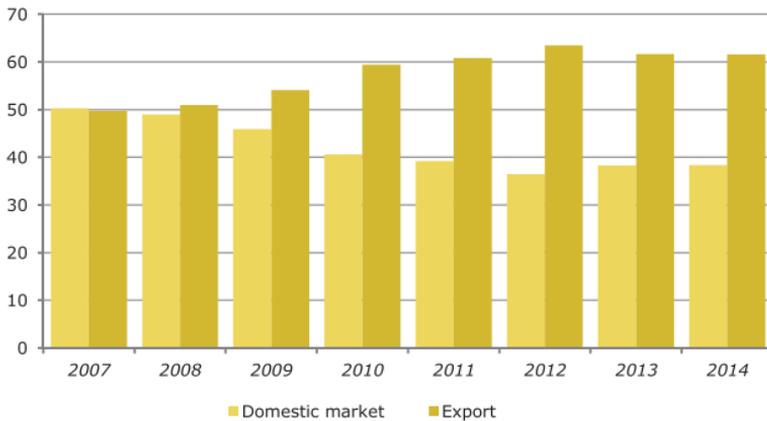
Manufacturing Turnover Index

(at current prices; 2010=100)

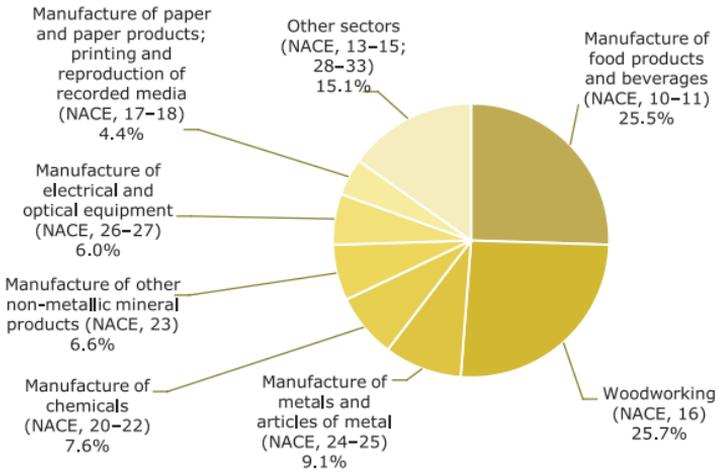


Manufacturing turnover structure

(at current prices, as% of total volume)



Manufacturing output structure by type of activity; 2014



Volume indices of industrial production by main industrial grouping

(calendar adjusted data over the previous period, as %)

	Intermediate goods	Energy	Capital goods	Consumer durables	Consumer non-durables
2006	103.5	106.6	112.6	108.0	108.1
2007	99.8	104.7	112.1	91.7	100.2
2008	92.8	99.1	117.4	73.0	96.0
2009	84.7	92.8	63.7	81.1	80.0
2010	124.2	108.1	120.4	97.0	105.0
2011	112.8	101.0	125.2	105.7	103.8
2012	108.8	97.2	123.4	104.2	102.7
2013	99.1	95.4	100.7	110.0	102.8
2014	101.6	95.3	99.2	112.0	96.9

19. Construction

Number of granted building permits has been increasing

In 2014, 2 087 ⁽¹⁾ building permits were granted for the construction, capital repairs, reconstruction and restoration of single dwelling buildings, of which 1 405 permits were granted for construction of new buildings. 439 building permits were granted for the construction of industrial buildings and warehouses, of which 273 – for new buildings.

Number of building permits granted for construction of new buildings

	2012	2013	2014
Single dwelling houses (excluding summerhouses and weekend houses)	1 317	1 370	1 405
Two and more dwelling houses	43	79	66
Hotels and similar buildings	32	45	46
Office buildings	23	18	16
Wholesale and retail trade buildings	61	42	58
Production buildings and warehouses	246	241	273

⁽¹⁾ Since the 4th quarter of 2014 in construction statistics the term *granted permits* means entering of a record in the construction permit confirming that the conditions for commencement of construction work have been met.

Construction of residential buildings witnesses growth

Compared to 2013, construction production volume in 2014 increased by 8.1%, according to calendar adjusted data at constant prices. Construction of buildings grew by 33.7%, of which construction of hotels and similar buildings – by 98.5%, construction and repair of educational buildings – by 87.8%, and construction of residential buildings – by 31.1%. In turn construction of civil engineering structures dropped by 9.3%. It was affected by decrease in volume of construction of highways, streets, roads, airfield runways, railways, railway lines – of 2.4%, and of main pipelines, communications and power transmission lines – of 22.0%. In turn, construction of local pipelines and cables last year grew by 25.3%.

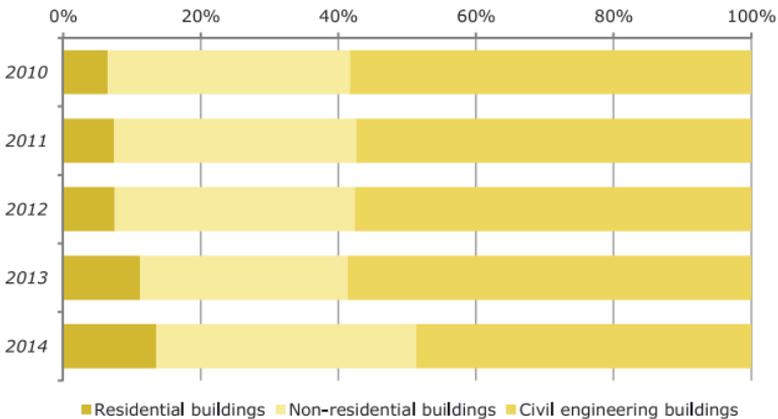
Construction Volume Index

(by NACE section/ division, at constant prices)

	Previous year =100			2010=100		
	2012	2013	2014	2012	2013	2014
Construction output	114.8	106.9	108.1	128.6	138.1	149.0
Buildings	114.7	104.2	133.7	130.2	134.2	179.3
Civil engineering buildings	116.2	108.8	90.7	127.1	140.5	125.9

Over the last five years breakdown of construction volume by type of building has changed significantly. Construction of residential buildings witnessed a notable increase from 7.5% of the total construction volume in 2012 to 13.6% in 2014. This growth was promoted by the demand of non-residents for temporary residence permits which also foresees purchase of real estate. In turn, the rapid drop in the share of civil engineering buildings of 9.9% in 2014 as compared to 2013 can be explained with the transition period in the absorption of EU funds, namely, with the end of the previous absorption period.

Construction volume by type of building



20. Retail trade

Private consumption increases

In 2014 private consumption of Latvian population enhanced growth of retail trade turnover: it rose by 3.6% as compared to 2013. Volume of retail sale non-food products at constant prices was 3.6% larger than a year ago. In 2014 the largest increase of volumes was in retail sale of clothing and footwear, electrical household appliances, as well as in retail sale via mail or Internet stores. More than one third of total retail trade turnover was comprised by sale of food products. Compared to 2013, in 2014 turnover of retail sale of food products increased by 3.4%.

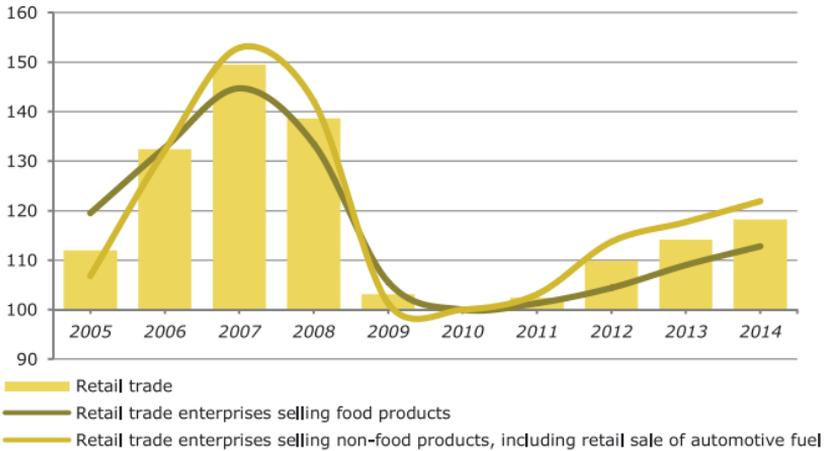
Turnover indices of retail trade enterprises

(by NACE, at constant prices)

	Over the previous year		Over 2010	
	2013	2014	2013	2014
(47) Retail trade – total	103.8	103.6	114.1	118.2
(4711; 472) Retail sale of food products	104.4	103.4	109.0	112.8
(4719; 473–479) Retail sale of non-food products	103.5	103.6	117.7	121.9
(4730) Retail sale of automotive fuel	98.7	105.8	98.6	104.3

Turnover indices of retail trade enterprises

(2010=100)



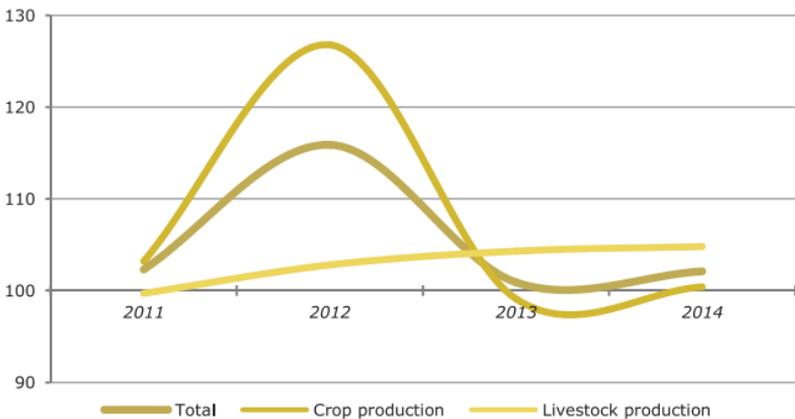
21. Agriculture

Agriculture

In 2014 the total volume of agricultural output at constant prices increased by 2.1%. It was affected by growth of 4.8% in livestock production, especially growth in production of milk, poultry and beef, despite the fact that the average purchase prices over the year witnessed a drop. Crop production grew by 0.4%.

Agricultural output indices

(as % over the previous year)



Compared to 2013, producer price indices in agriculture in 2014 dropped by 8.2%. Crop production producer price indices decreased by 10.6%. It was affected by decline in purchase prices of grain of 16.5%, as well as by drop in producer prices of rape – of 16%.

Livestock production producer price indices decreased by 5.9%. Producer prices of beef decreased by 14.7%, of pork – by 10.8%, of milk – by 4.8%, of eggs – by 2.9%.

The greatest harvested production of grain in history

In 2014 harvested production of grain reached 2.2 mln tons, and it is 278.5 thsd tons or 14.3% more than in 2013. The significant growth in harvested production of grain was mainly affected by increase in cereal cropland – 71.3 thsd ha or 12.2% more than in the previous year.

The sown area of rape decreased by 28.1 thsd ha or 22.0% due to unfavourable wintering conditions for winter rape. The sown area of winter rape declined by 23.7 thsd ha or 30.6%, and the average seed yield from one hectare of winter rape dropped from 26.8 quintals in 2013 to 19.0 quintals in 2014. As a result rape seed production dropped by 111.1 thsd ton or 37.5%. With the decrease of sown area of potatoes of 1.9% and with the average yield of potatoes growing by 4.0%, 9.8 thsd tons or 2.0% more potatoes were harvested as compared to the previous year. The purchase of grain grown in Latvia reached the highest level in the last four years - 1 947.3 thsd tons, which is 412.0 thsd tons or 26.8% more than a year before. Wheat accounted for 77.6% of the total amount of purchased grain. Its purchase grew by 250.9 thsd tons or 19.9%, of which food wheat - by 31.2 thsd tons or 3.3%. In turn, the average purchase prices of grain kept decreasing, and in 2014 accounted for 148.06 euros per ton or 16.5% less than in 2013, which is the lowest price registered in the last four years.

Number of cattle and sheep has been increasing, while number of pigs witnessed a drop

At the end of 2014 agricultural holdings were breeding 422.0 thsd cattle, which is 15.5 thsd heads or 3.8% more than a year before. The number of cattle under one year and over two years has grown by 9.1 thsd or 8.3% and by 6.9 thsd or 3.1%, respectively. In turn, the number of cattle aged from one to two years has slightly decreased - by 0.4 thsd or 0.6%. The number of dairy cows has increased by 0.9 thsd or 0.5%, and the number of suckling cows – by 5.0 thsd or 17.3%. The number of pigs over the year has decreased by 18.1 thsd or 4.9%. Last year the number of sheep grew by 7.7 thsd or 9.1%. In turn, the number of goats and horses keeps declining - by 0.3 thsd or 2.6% and 0.6 thsd or 5.6%, respectively.

Output of livestock production

84.3 thsd t of meat were produced in 2014, which is 4.9% more than in 2013. It was affected by growth in the production of beef – 5.8%, of pork – 3.1%, of poultry meat – 7.0%, and of mutton – 0.1%.

The amount of milk produced (incl. goat milk) in 2014 comprised 971.8 thsd tons, which is an increase of 56.7 thsd tons or 6.2%, as compared to 2013. The average milk yield from a dairy cow reached 5 508 kg per year, a growth of 304 kg or 5.5% as compared to the previous year.

648.3 mln eggs were purchased in 2014, which is 3.0% more than a year before. One laying hen on average produced 272 eggs or 0.4% less than a year before.

Agriculture output indices

(at constant prices)

	Over the previous year		Over 2010	
	2013	2014	2013	2014
Agriculture, total	100.9	102.1	119.7	122.2
Crop production	99.1	100.4	129.7	130.2
Livestock production	104.3	104.8	106.9	122.2

Crop production

	2010	2012	2013	2014
Sown area, thsd ha	1 102.7	1 122.1	1 146.5	1 150.5
Of which:				
Cereals	541.5	574.6	583.9	655.2
Rape	110.6	117.5	128.2	100.1
Potatoes	30.1	28.2	27.3	26.8
Vegetables	8.1	8.1	8.5	8.2
Average yield, cnt/ha				
Cereals	26.5	37.0	33.4	34.0
Rape	20.5	25.8	23.1	18.5
Potatoes	161	191	182	189
Vegetables	172	182	148	217
Harvested production, thsd t				
Cereals	1 435	2 124	1 949	2 227
Rape	226.3	303.5	296.6	185.5
Potatoes	484	539	496	506
Vegetables	151	161	140	191

Number of livestock

(at the end of the year, thsd)

	2010	2012	2013	2014
Cattle	379.5	393.1	406.5	422.0
- of which dairy cows	164.1	164.6	165.0	165.9
Pigs	389.7	355.2	367.5	349.4
Sheep	76.8	83.6	84.8	92.5
Goats	13.5	13.3	12.6	12.3
Horses	12.0	10.9	10.7	10.1
Poultry	4 948.7	4 910.9	4 985.8	4 413.9

Output of livestock production

(thsd t)

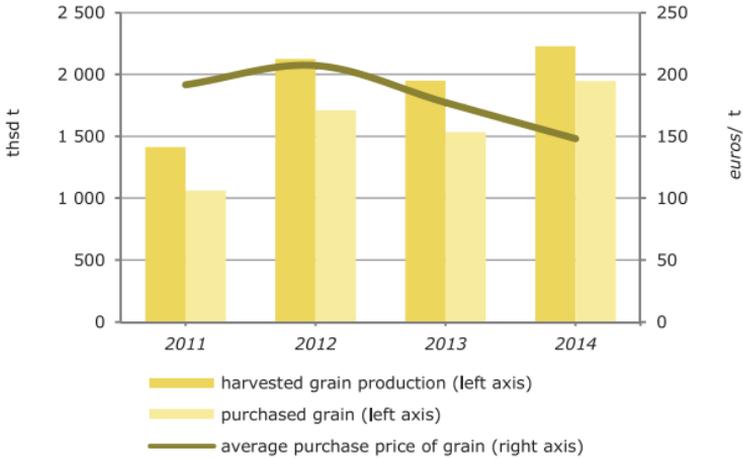
	2010	2012	2013	2014
Meat (slaughter weight)	79.9	78.6	80.3	84.3
- beef	18.4	17.3	16.7	17.7
- pork	37.2	35.7	35.9	37.0
- mutton and goat meat	0.6	0.7	0.7	0.7
- poultry	23.5	24.6	26.8	28.7
Milk (incl. goat milk)	834.5	873.8	915.1	971.8
Eggs, mln pieces	714.9	671.4	629.5	648.3
Wool, t	69	134	150	153
Honey, t	676	1 180	1 666	1 704

Agricultural production per capita

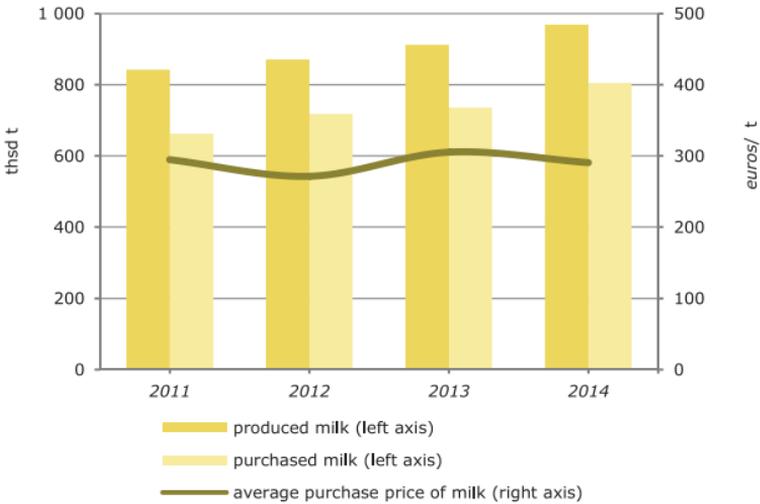
(kg)

	2010	2012	2013	2014
Cereals	684	1 044	967	1 116
Potatoes	231	265	246	254
Vegetables	72	79	70	96
Fruit and berries	6	6	9	6
Meat (slaughter weight)	38	39	40	42
- pork	18	18	18	19
Milk	398	429	454	487
Eggs, pcs	341	330	312	325

Harvested production, purchase and average purchase price of grain



Production, purchase and average purchase price of milk



22. Tourism

he number of foreign travellers keeps increasing

In 2014 foreign travellers crossed the border of Latvia 6.2 mln times, and it is 7.3% more than in 2013. Last year foreign travellers spent 668.5 mln euros in Latvia, which is 60.2 mln euros or 9.9% more than the year ago. The majority of visitors came from the neighbouring countries: from Lithuania – 35.6%, from Estonia – 19.0% and from Russia – 10.0%. Compared to the previous year the number of foreign overnight visitors from Germany rose by 36.4%, from Poland – by 35.8%, from Lithuania – by 26.7%, from Estonia – by 23.7% and from the United Kingdom – by 22.3%. Even though the number of travellers from Russia rose, the growth rate over the previous period has reduced from 22% to 4.5%. Overnight foreign travellers indicated the following purpose for their trip to Latvia: for 44% it was leisure and recreation, for 29.5% – visiting friends or relatives and for 21.2% – business trip. Compared to 2013, the number of overnight visitors who mentioned recreation as the main purpose of the visit grew by 35.3%. Out of all overnight foreign travellers crossing the Latvian border in 2014, 48.6% used air transport, 37.4% – road transport, 7.3% – sea transport and 6.7% – railway.

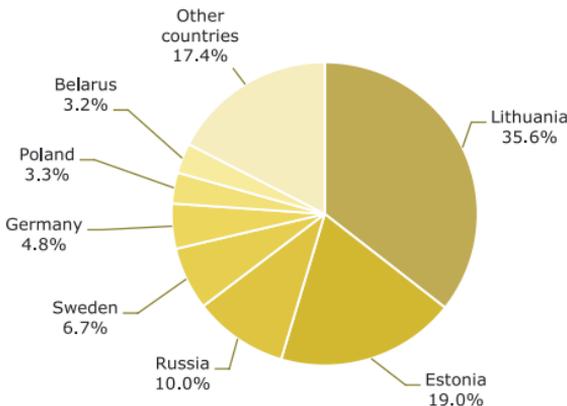
Number of foreign traveller overnight stays has doubled over the last ten years

Over the last ten years the number of foreign travellers and overnight stays has grown twice. Foreign overnight travellers stayed on average 4.2 nights in Latvia and spent 516.9 mln euros, which is 7.4% more than in 2013. Compared to 2013 the number of persons served in hotels and other accommodation establishments in 2014 increased by 14.1%. The majority of guests were served in accommodation establishments in Riga (60.7%) and Jūrmala (8.5%). Use of accommodation establishments has a seasonal character: in the summer months (June, July and August) tourists spend 39.5% of the total annual number of nights spent in Latvia. A similar situation was also observed in the neighbouring countries: in Lithuania – 39.1%, in Estonia – 37.8%. In other European countries this indicator is significantly higher – for example, in Croatia 74.7% of the total number of visitor nights are spent in the summer months. 66.6% of the foreign overnight travellers were accommodated in hotels or other accommodation establishments, whereas 33.4% stayed with their relatives or friends. Almost one third (34.4%) of foreign overnight travellers visited Latvia for the first time.

Number of visitors served in tourist accommodation establishments has doubled over the last ten years

In 2014, 2.1 mln guests were served in Latvian hotels and other accommodation establishments who spent 4.2 mln nights in Latvia. Compared to 2013, the number of served guests increased by 14.1%, while the number of overnight stays – by 10.1%. Taking a reference period of ten years, last year number of visitors served and nights stayed has risen two times – in 2004, 901.4 thsd visitors spent 2.1 mln nights in tourist accommodation establishments. Compared to 2013, the number of foreign visitors served grew by 14.5% reaching 1.4 mln. Number of guests from neighbouring countries: increased from Belarus – by 27.0%, from Estonia – by 14.9% and from Lithuania – by 10.9%. Significant rise was also observed in the number of visitors from the United Kingdom – by 47.2%, Austria – by 40.0%, Germany – by 37.5%, Belgium – by 34.7%, Ukraine – by 32.4%. Number of visitors from Russia reduced by 4.1%. Latvian residents served in hotels and other accommodation establishments increased by 13.2% in 2014 and reached 667.3 thsd. The majority of local guests were served in accommodation establishments in Riga – 22.7%, Jūrmala – 7.8%, Liepāja – 7.6%, Ventspils – 5.8% and Sigulda county – 3.8%. The highest hotel room occupancy rate in 2014 was registered in July – both in hotels of Latvia (69.0%) and in hotels of Riga (78.9%). Four Star hotels in Riga in July reached the highest occupancy rate – 84.4%.

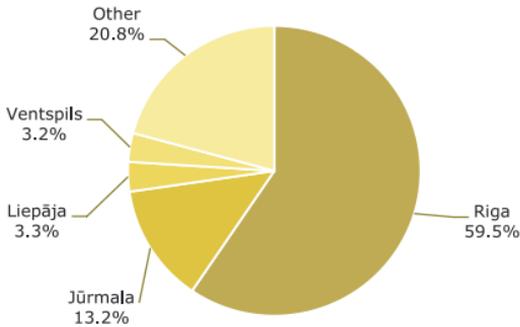
Overnight visitors by country, 2014



Indicators of non-resident travellers

	2010	2013	2014
Number of border crossings, thsd	5 042	5 822	6 246
Total expenditure abroad, mln euros	475.1	608.4	668.5
Average travel duration, visitor nights	1.2	1.4	1.5
Average daily expenditure per traveller in Latvia, euros	77	75	74

Number of nights spent in hotels and other tourist accommodation establishments in 2014



Number of nights spent in accommodation establishments in Latvia; 2014



Country of residence of overnight travellers

	2010	2013	2014
Total, thsd	1 373.3	1 536.0	1 843.4
Lithuania	181.6	209.5	265.5
Sweden	157.4	194.7	161.8
Estonia	129.8	146.1	180.7
Germany	108.6	123.4	168.3
Finland	109.5	71.7	79.5
United Kingdom	48.1	53.2	65.1
Poland	36.9	33.7	45.7
Denmark	34.4	27.7	29.5
Czech Republic	9.8	13.2	16.4
Russia	189.3	332.6	347.6
Other countries	367.9	330.2	483.3

Non-resident travellers by purpose of trip

	2010	2013	2014
Total, %	100	100	100
Purpose of trip	50.7	56.6	68.7
- holiday	23.8	29.0	39.8
- visiting friends or relatives	13.0	15.5	17.2
- business	13.9	12.1	11.7
- other purpose	49.3	43.4	31.3
- transit	34.9	35.8	27.2

Activity of hotels and other accommodation establishments

	2010	2013	2014
Number of accommodation establishments (at the end of the year)	628	546	544
Hotels, resort hotels and motels	253	239	238
- of which hotels	221	214	216
Hotels and similar establishments	242	202	206
Other accommodation establishments	133	105	100
Number of beds (at the end of the year)	34 657	32 311	33 459
Hotels, resort hotels and motels	21 940	21 180	21 999
- of which hotels	19 227	18 666	19 579
Hotels and similar establishments	5 449	4 824	4 944
Other accommodation establishments	7 268	6 307	6 516
Number of visitors, thsd	1 311.5	1 839.2	2 098.4
Hotels, resort hotels and motels	1 070.5	1 509.3	1 747.7
- of which hotels	981.3	1 393.5	1 625.4
Hotels and similar establishments	100.0	132.5	138.9
Other accommodation establishments	141.0	197.4	211.8

23. Information society

Use of information and communication technologies in Latvian enterprises

The benefits of ICT are used by almost all Latvian enterprises ⁽¹⁾. The CSB data show that in 2014, 98.1% of all enterprises used computers and 96.0% used the Internet. The role of ICT is growing – if in 2009 23.3% of employees used a computer with an internet connection on a regular basis, in 2014 this indicator had grown to 40.8%, while 13.3% used mobile Internet for professional and business needs.

More than half of all enterprises have their own home page

In 2014, 94.8% of large enterprises, 78.4% of medium-sized enterprises and 50.7% of small enterprises had their own home page. In total 56% of all enterprises had their own home page. Among enterprises providing information and communication services this indicator accounted for 93.6%, among those providing accommodation services – 93.3%. Less frequently home pages were used by transport and storage enterprises (36.9%).

Nine out of ten companies have access to broadband internet

An increasing number of enterprises choose broadband connection, which enhances higher data rate. if in 2009, broadband connection was available to 60.7% of the enterprises, in 2014 broadband Internet was used by 95.0% of all enterprises. Mostly broadband Internet was used by enterprises the primary activity of which is provision of information and communication services, repair of computer and communication equipment, production of electronic and optical products, as well as by travel agencies and tour operators to provide booking services. In these sectors use of broadband Internet reached 100% in 2014.

⁽¹⁾ Enterprises with number of employees 10 and more.

Use of mobile Internet among enterprises is becoming more popular

Types of mobile phone network Internet connection like 3G or 4G mobile phone network or mobile connection using mobile phone with GSM, GPRS, EDGE takes significant place among enterprises with Internet connection. Mobile broadband benefits in 2014 were used by 46.8% of enterprises with Internet connection, and other types of mobile Internet connection – by 29.9%. For comparison in 2013 mobile broadband benefits were used by 32.7% of enterprises, but other mobile connection benefits – by 23.0%.

Entrepreneurs choose fast Internet

Download speed of the Internet connection used by Latvian enterprises is growing. Share of enterprises with Internet connection speed of less than 2 megabites per second (Mb/s) reduced from 11.4% in 2012 to 5.3% in 2014. In 2014, Internet download speed in 28.1% of enterprises was 2–10 Mb/s, but in 28.6% of enterprises it was 10–30 Mb/s. The share of enterprises with Internet download speed of 30 to 100 Mb/s has grown from 9.2% in 2012 to 15.4% in 2014, and the share of those with download speed 100 Mb/s and above – from 10.2% in 2012 to 18.8% in 2014.

Use of cloud computing in enterprises

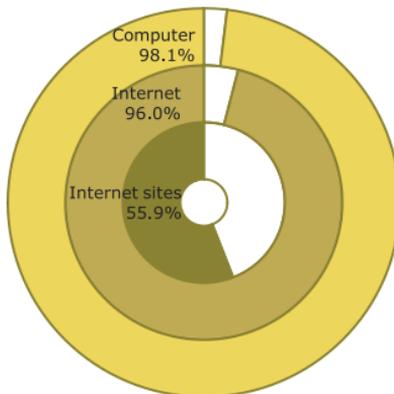
Cloud computing is ITC services on the Internet which provides access to software, data processing capacity and data storage location (clouds), etc. Such services are provided from service provider's services, and it is easy to customize them (for example, to change number of users or capacity of data storage location). In 2014 this technology was used by 6% of Latvian enterprises. Cloud computing was used by 4.8% of small enterprises, 8.8% of medium enterprises and 18.3% of large enterprises. Mostly cloud computing was used by enterprises with the main kind of economic activity provision of information and communication technologies (18.8%), and travel agencies and tour operators for booking (17.3%).

E-commerce in enterprises; 2013

	<i>Enterprises which have made purchases</i>	<i>Enterprises which have sold goods or services</i>
% of total number of enterprises in the corresponding group	32.0	9.3
- by number of employees		
- 10–49	29.4	8.2
- 50–249	42.1	13.8
- 250+	60.3	18.5

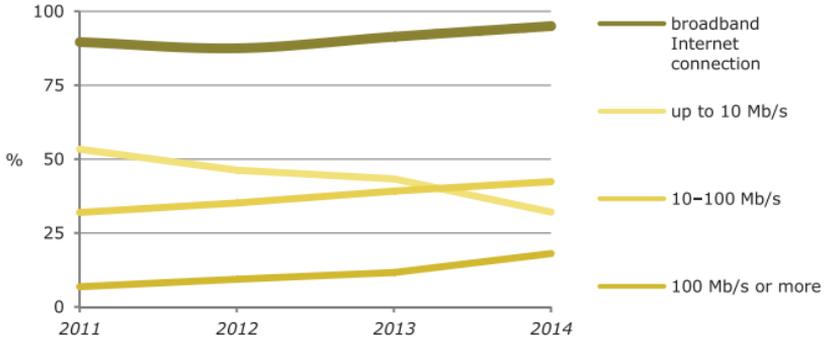
Use of computers, internet and home page in enterprises in 2014

(as % of the total number of enterprises)



Broadband connection and internet connection download speed in enterprises

(as % of the total number of enterprises)



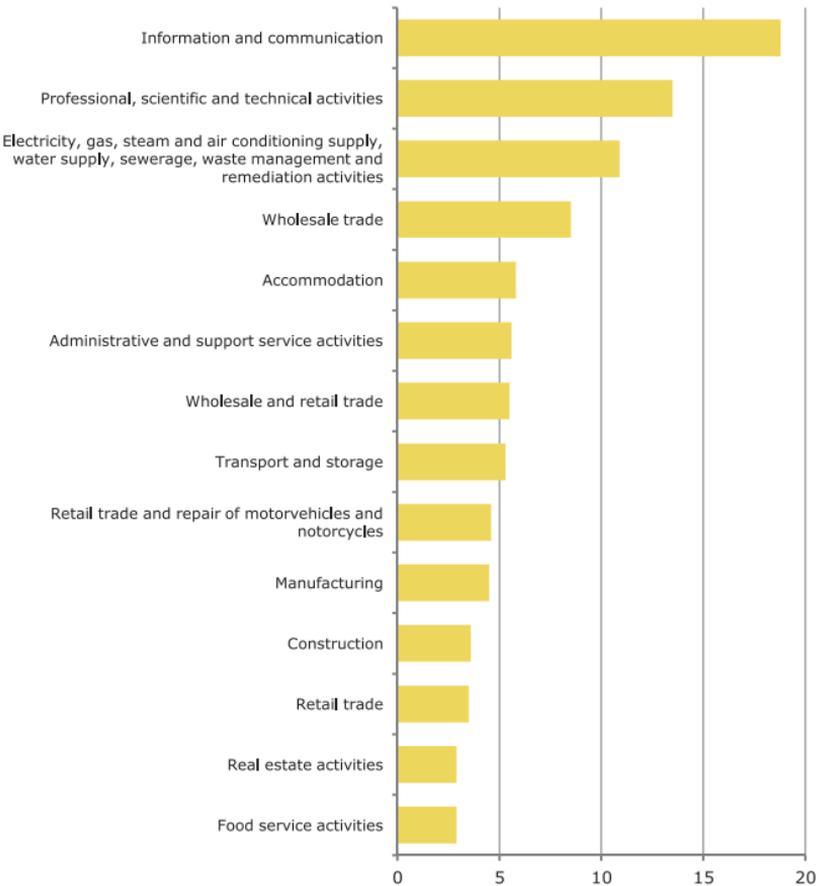
Types of internet connection in enterprises

(% of the total number of enterprises in the respective group)

	2013	2014
Fixed broadband Internet connection	97.1	96.2
Mobile broadband connection using 3G or 4G mobile telephone network	32.7	46.8

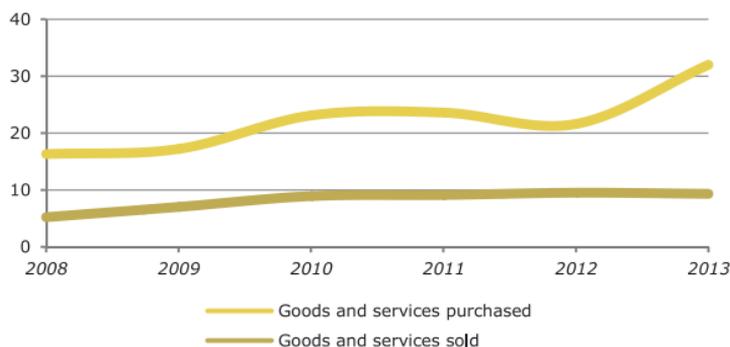
Enterprises paying for cloud computing in 2014

(as % of total number of enterprises in the respective group)



Enterprises who purchased and sold goods and services on the Internet or via other computer networks, for example, EDI ⁽¹⁾ notifications

(% of the total number of enterprises in the respective group)



24. Internet access in households

Five out of seven households have access to the internet

The number of households using computer and the Internet has increased significantly. In 2014, 73.4% of households had Internet connection. Internet is regularly ⁽²⁾ used by 71.8% of the population aged 16–74 years. It is dependent on the educational attainment and age. 90.7% of people with higher education use the Internet on a regular basis; 67.1% of people with secondary education and 54.3% – with primary education or no education, as well as 100% of all pupils and students. The Internet is most popular among young people: in the age group 16–24 it is used by 96.8% and in the age group 25–34 – by 95.8%. Despite the fact that only one fifth of the population aged 65–74 use the Internet, the number of users is increasing in all age groups. Large differences can be observed in households with different level of income. The highest proportion of Internet users is in households with children.

Households choose broadband internet

Broadband connection provides faster data transfer rate and access to the Internet on–line, which is a particularly important factor using a variety of services on the Internet. Over the past 11 years, the number of broadband Internet connections has risen more than 14 times. In 2014, broadband Internet connection was used by 73.1% of households, but in 2004 it was used only by 5.4% of households. Despite the fact that broadband Internet connection increases rapidly in households, in 2014 the figure was about 5 percentage points lower than the average rate in the European Union countries.

More and more people prefer online shopping

Over the past eleven years the number of people engaged in Internet purchases has increased significantly: from 3.3% of the population in 2004 to 43.2% in 2014. With changes in shopping habits and an increasing number of people shopping on–line turnover of these stores has increased by as much as 18.7%. The survey data show that in 2014 people mostly purchased clothing and sporting goods (48.4% of on–line shoppers) and event tickets (31.5% of on–line shoppers) on the Internet. Even though great differences are not observed among genders in IT use, they appear when analysing purchasing habits, for example, which goods of services men and women order on–line. Women purchased clothing and sporting goods more often than men (30.4% of buyers or 12 percentage points more than men). In turn, men chose such goods as electronics (7 percentage points more) and hardware (4 percentage points more).

⁽¹⁾ EDI – electronic data interchange messages.

⁽²⁾ Use the Internet at least once a week.

Use of cloud computing

One of latest products of information and communication technologies is cloud computing (for example, *Google Drive*, *Dropbox*, *iCloud* and others). They provide opportunity to store files on remote server in data storage (clouds), which are available on the Internet. In 2014, 14.1% or about one seventh of population (18.5% of Internet users) used cloud computing. Majority of them are students and pupils (33.4%), as well as persons aged 16 to 24 years (30.9%)

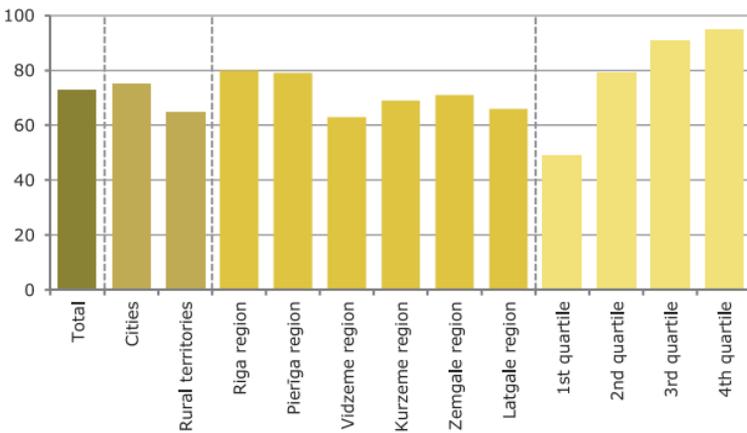
Access to the Internet by household type

(% of the total number of households in the respective group)

	2005	2010	2013	2014
All households	30.5	59.8	71.6	73.4
3 adults with children	45.2	81.9	93.8	94.2
2 adults with children	43.4	82.5	94.6	94.6
1 adult with children	29.3	78.0	86.6	93.9
2 adults	21.5	48.9	65.9	67.1
1 adult	11.7	31.9	46.6	48.7

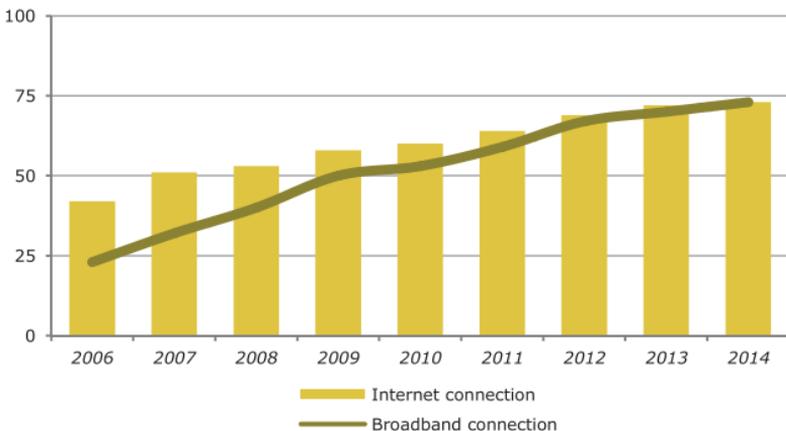
Access to the Internet in households; 2014

(as % of the total number of households)



Broadband connection in households

(as % of the total number of households)



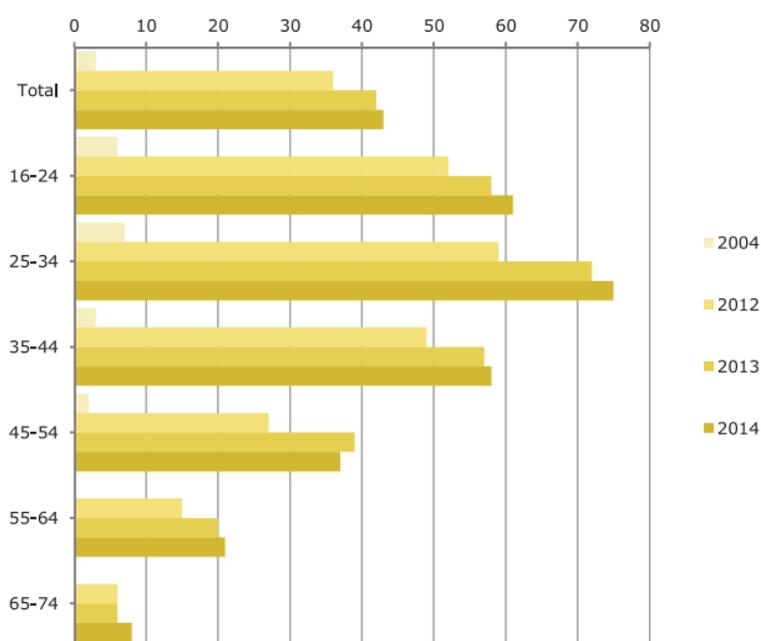
Purposes for using the Internet; 2014

(as % of the total number of individuals of the respective age group)

	Total	16-24	25-54	55-74
Sending/receiving e-mails	63.9	90.6	77.1	32.0
Reading or downloading on-line news, newspapers or magazines	65.4	79.6	77.8	39.8
Internet banking	56.8	63.8	70.1	31.9
Social networks (creating a user profile, placing posts on <i>Facebook</i> , <i>Twitter</i> , <i>draugiem.lv</i> , etc.)	52.7	92.8	63.6	20.0
Searching information on goods and services	52.6	75.0	63.8	25.9
Telephoning/video calls over the Internet, using network camera	43.2	69.9	49.0	23.6

Purchasing goods or services over the Internet

(% of the total number of individuals of the respective age group)



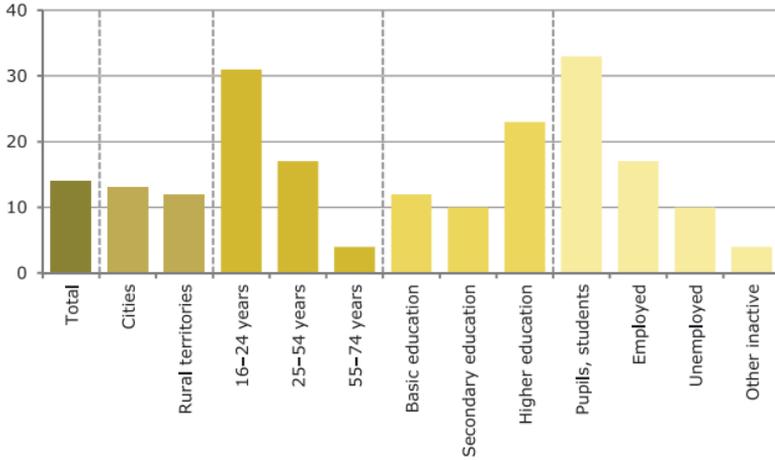
Internet purchases for private needs; 2014

(as % of the total number of individuals in the respective group making purchases over the Internet)

	Total	Men	Women
Clothing and sporting goods	48.4	41.7	53.5
Event tickets (e.g., concert, theatre, cinema, etc.)	31.5	29.8	32.8
Household appliances (e.g. furniture, toys, etc.)	29.2	24.5	32.8
Shares, insurance policies and other financial services	27.9	34.6	22.8
Electronics (including photo or video cameras, mobile phones, TV, stereo and DVD players)	30.5	43.7	20.5
Travel services (e.g., transport tickets, car rentals, etc.)	24.3	25.2	23.7
Telecommunication services (e.g., television, broadband Internet subscriptions, fixed or mobile phone subscriptions, account replenishment of prepaid phone cards, etc.)	13.9	13.0	14.7

Use of on-line storage in 2014

(as % of the total number of population)



25. Research

Research and development work intensity for a long time has been at a low level

Research and development intensity is characterised by the expenditure on scientific research as percent of the GDP. Expenditure on scientific research has been low for a long time: in 2013 accounting for 0.6% of GDP, which is the third lowest rate in the European Union. This indicator is even lower only in Cyprus (0.48%), and Romania (0.39%). On average in the European Union expenditure on scientific research in 2013 amounted to 2.02% of the GDP. One of the five headline targets for *Europe 2020 strategy* is to increase expenditure on research and development to 3% of the GDP by 2020. Meanwhile Latvia has set a target to increase funding into research to 1.5% of the GDP by 2020.

Research work is mostly organised in higher education sector

The largest share of research work in Latvia is organised in higher education sector. This sector has carried out scientific research works in the amount of 59.8 mln euros, representing 0.26% of the GDP. In the government sector research was carried out in the amount of 40.3 mln euros or 0.17% of the GDP, but in the business enterprise sector – of 39.4 mln euros or 0.17% of the GDP. In contrast to Latvia, in the European Union the largest share of research work is carried out in the business sector (1.29% of the GDP), followed by the higher education sector (0.47%) and government sector (0.25%).

Reduction in R&D expenditure

Expenditure on scientific research in Latvia in 2013 accounted for 139.5 mln euros, which is reduction of 4.3% over the previous year. More than half (51.6%) of the total research funding was foreign funding – 72.0 mln euros, followed by government funding of 33.4 mln euros, business enterprise funding of 30.4 mln euros and funding of higher education establishments – of 3.7 mln euros.

R&D expenditure

	2005	2010	2011	2012	2013
Latvia, mln euros	72.0	109.6	141.4	145.4	139.5
R&D expenditure as % of the GDP in Latvia	0.56	0.60	0.70	0.66	0.60
R&D expenditure as % of the GDP in the EU countries on average	1.76	2.00	2.04	2.09	2.02

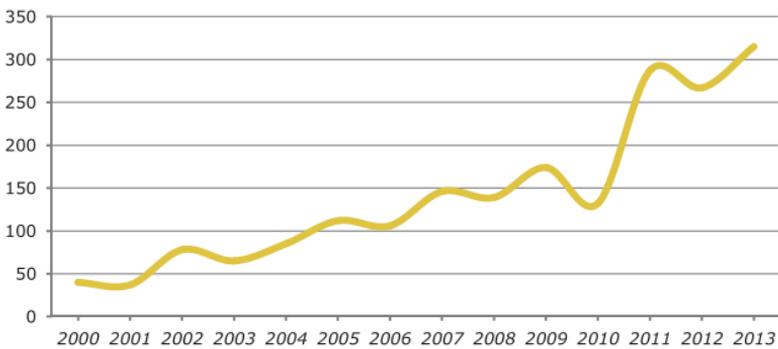
R&D funding in 2013

	Total	% of GDP	Funding by source of means:			
			Business enterprise	Government	Higher education institutions	Foreign sources of finance
Total funding, mln euros	139.5	0.60	30.4	33.4	3.7	72.0
Higher education sector	59.8	0.26	4.1	20.4	3.7	31.6
Government sector	40.3	0.17	5.3	12.4	-	22.6
Business enterprise sector	39.4	0.17	21.0	0.6	-	17.8
Funding as % of the GDP	0.60	x	0.13	0.14	0.02	0.31

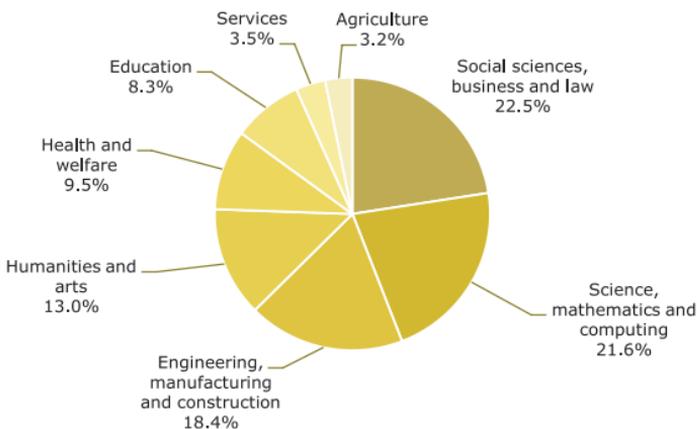
Researchers in R&D

	2005	2010	2011	2012	2013
Number of researchers according to full-time equivalent	3 282	3 896	3 947	3 904	3 625
Higher education sector	2 224	2 629	2 708	2 607	2 348
Government sector	589	635	686	703	707
Business enterprise sector	469	632	553	594	570

Dynamics of the number of doctorate holders (1)



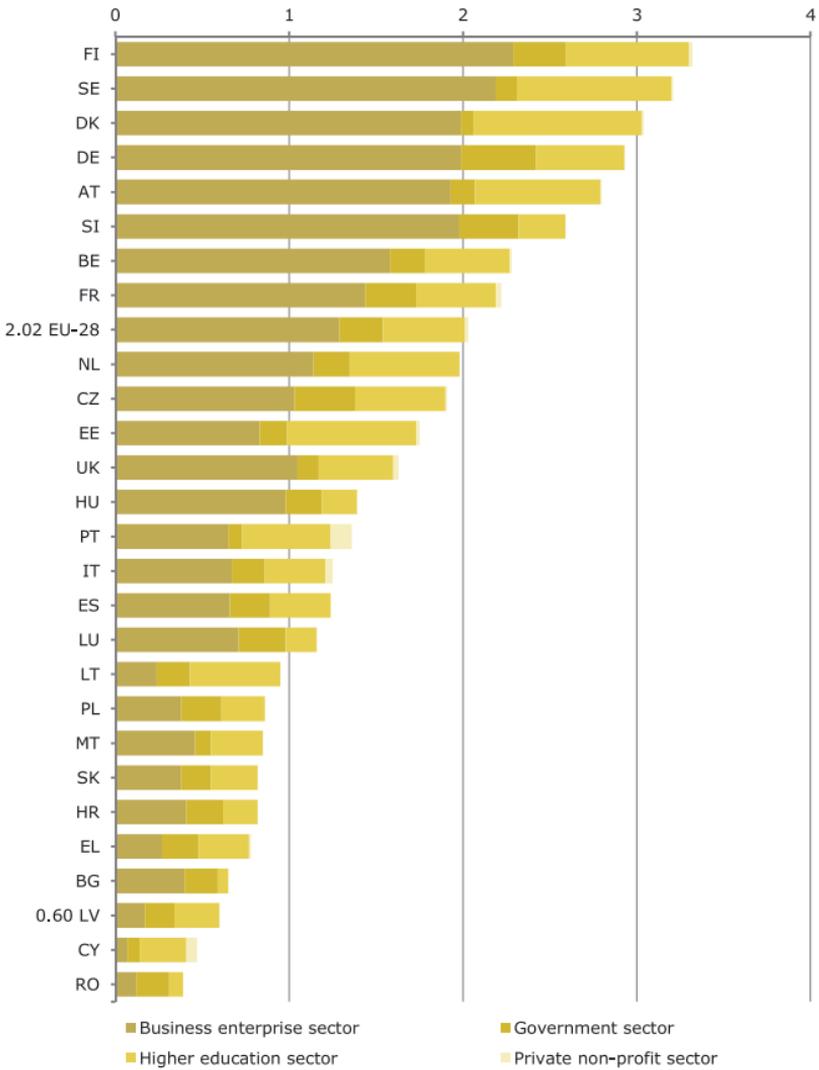
Doctorate holders by education thematic groups (1)



(1) Data of the Ministry of Education.

R&D expenditure in 2013

(as % of the GDP by sectors)



Data source: Eurostat (rd_e_gerdot) 17.11.2014

26. Environmental protection

Forest resources

According to the statistical inventory data on 1 January 2014, the forest area occupies 3 260 thsd ha or 50% of the total territory of Latvia. Coniferous trees account for 53% of all forest stands. There are three dominant tree species in the Latvian forests: pine, birch and spruce, altogether occupying three-fourths of all forest area. The remaining forest areas are covered by black alder, grey alder, aspen, ash and oak stands. The area covered by birch and other deciduous tree stands has been increasing, since agricultural land continues to overgrow with deciduous trees. During the time period from 2009 to 2013, the average volume of timber production accounted for 12.0 mln m³. Logging production amounts to about 70% of the standing timber growth. In 2014, 11.7 mln m³ of timber was felled in Latvia, and compared to the previous year, logging production has increased by 19 thsd m³ or by 0.16%. In 2014 forest reconstruction volumes compared to the previous year, decreased by 2.3 thsd ha (38.0 thsd ha were reconstructed). 33.9% (12.9 thsd ha) of forest was artificially renewed, and 66.1% (25.1 thsd ha) – naturally renewed.

Protected natural territories

In Latvia there are 683 special areas ⁽¹⁾ of conservation in eight categories, covering 19% of the land mass. They include: four national parks, one biosphere reserve, 42 nature parks, nine protected landscape areas, 261 nature reserve, four strict nature reserves, seven marine protected areas, as well as micro-reserves inhabited by three mammal species, two amphibian species, 24 invertebrates, and 23 species of birds. It is planned to create new micro-reserves in eight bird colony sites. 333 territories in Latvia are listed in the joint network of protected areas of the European Union countries *Natura 2000*: four strict nature reserves, 239 nature reserves, 37 nature parks, nine protected landscape areas, seven marine protected areas and 24 micro-reserves.

Minerals and fresh water

The most significant mineral resources ⁽²⁾ in Latvia include: dolomite, gypsum, limestone, sand-gravel, sand, quartz sand, clay and peat. These minerals serve as raw materials for industry, agriculture, and to a lesser extent also for the energy sector.

Statistics show that water mainly comes from underground. The largest underground freshwater supplies are ensured by Daugava (223.2 mln m³) and Gauja (41.5 mln m³) river basins. An annual average of 216 mln m³ of water is obtained from groundwater.

Waste management

Over the past five years, the volume of generated municipal waste has gradually increased, in 2013 reaching 1 902 thsd tons (1 131 thsd tons in 2010). However, it should be noted that the amount of waste per capita is still relatively low. In 2012 it was 301 kg per capita, while the average rate in the European Union countries is 492 kg per capita.

Air pollution

Emissions of greenhouse gases (GHG) is one of the most important indicators characterising atmospheric pollution. In 2012, GHG emissions in Latvia accounted for 10.98 mln tons. In 2012 energy and transport sector was among the largest sources of GHG emissions, amounting to 66% of the total volume of emissions. From 2004 GHG emissions have been growing mainly due to the increasing traffic intensity.

Forest area ⁽³⁾

	2009	2014
Total area of forest land, thsd ha	3 558	3 575
Forest area, thsd ha	3 241	3 260
Forest stand area, thsd ha	3 191	3 198
Forest cover, %	50	50
Standing timber, mln m ³	647	668

Felled area ⁽⁴⁾

(thsd m³)

	2010	2013	2014
Final felling	11 461	9 283	9 460
Thinning	1 069	1 447	1 468
Reconstructive felling	34	12	8
Sanitary selection felling	266	726	595
Other felling (including illegal felling)	151	192	148

⁽¹⁾ Data of the Nature Conservation Bureau.

⁽²⁾ Data of the Latvian Environment, Geology and Meteorology Centre.

⁽³⁾ Ministry of Agriculture, Forest Resource Monitoring data.

⁽⁴⁾ State Forest Service data.

Felled area and forest regeneration ⁽¹⁾

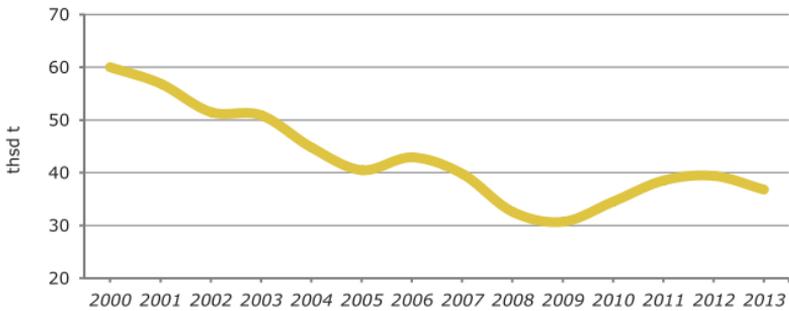
	2010	2013	2014
Felled area, thsd ha	105.6	133.7	108.8
Final felling	49.6	43.2	43.4
Thinning	30.4	35.7	33.5
Reconstructive felling	0.39	0.12	0.04
Sanitary selection felling	22.5	32.0	30.2
Other felling	2.7	2.7	1.7
Forest regeneration, thsd ha	32.2	40.3	38.0
- of which seeding and planting	10.8	13.4	12.9

Municipal and hazardous waste ⁽²⁾

(thsd t)

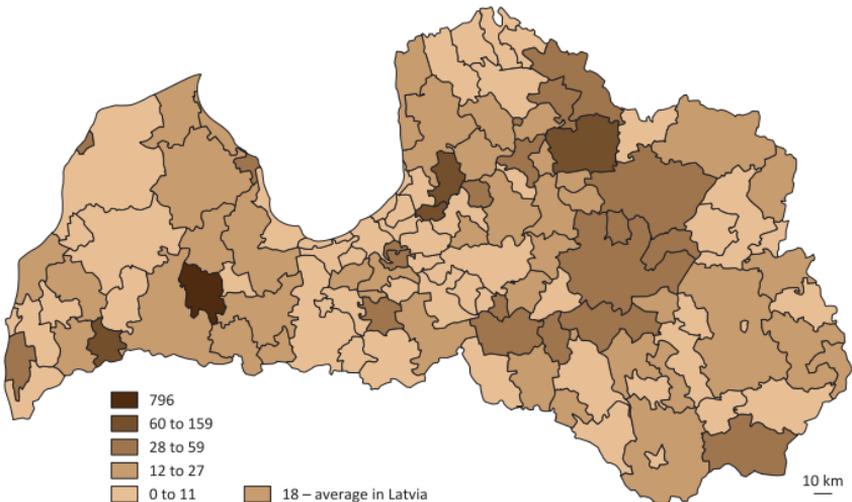
	Municipal waste		Hazardous waste	
	2010	2013	2010	2013
Generated	1 131.4	1 902.0	55.1	109.2
Collected	1 375.8	1 956.3	86.9	116.6
Processed	647.3	1 734.7	54.2	87.3
Landfilled	635.0	703.6	7.1	8.8
Exported	332.8	564.4	12.1	14.1

Emissions of hazardous substances into atmosphere ⁽³⁾



Emissions of hazardous substances from stationary sources; 2013

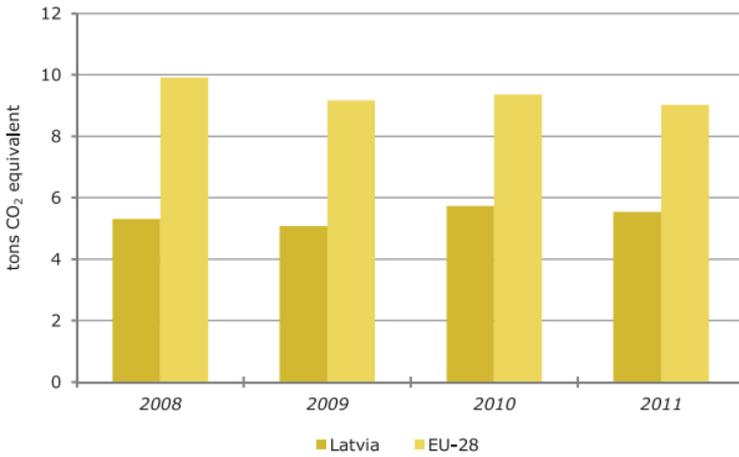
(kg per capita)



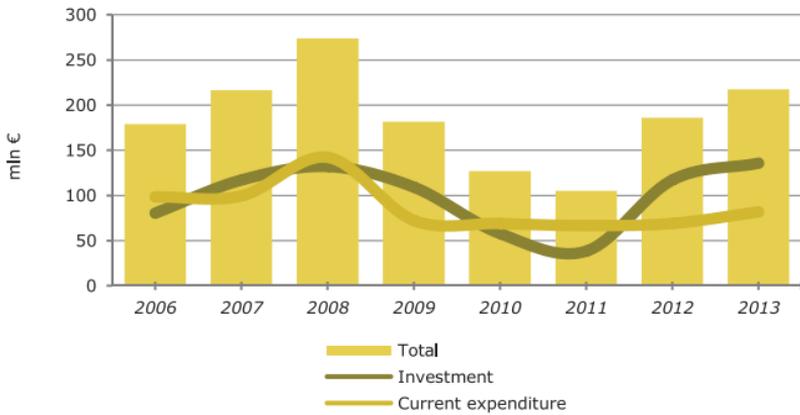
⁽¹⁾ Ministry of Agriculture, Forest Resource Monitoring data.

⁽²⁾ Data of the Latvian Environment, Geology and Meteorology Centre.

Emission of greenhouse gases per capita



Environmental protection expenditure



27. Energy

Gross consumption of energy resources in Latvia declined in 2013

In 2013, gross consumption of primary energy resources accounted for 187.1 PJ, which is 1.8% less than in 2012. The main reason for the decline in gross energy consumption was rise in the average temperature during the heating season. In 2013 consumption of natural gas and solid fuels decreased, while total consumption of oil products, fuel wood and other fuel increased. The total consumption of natural gas in 2013 amounted to 50.3 PJ, which is 1.1% less than in 2012. This is due to decline in consumption of natural gas in industry (of 21.4%), by households (of 4.8%) and by other consumers (of 14.6%). The decrease in consumption of natural gas in industry was mainly influenced by consumption decline for manufacture of basic metals and fabricated metal products and for manufacture of wood and of products of wood. In turn, in the transformation sector consumption of natural gas increased by 6.8% in 2013. Decline in consumption of solid fuel in 2013 of 20.8%, was mainly affected by changes in industry. Compared to the previous year consumption of solid fuel in manufacture of other non-metallic mineral products and in manufacture of basic metals fell significantly. Total consumption of fuelwood in 2013 reached 53.1PJ, which is 1.1% more than in 2012. Consumption of other fuel increased by 8.4% and amounted to 5.7 PJ. Owing to the above-mentioned reasons the share of renewable energy

sources (RES) in gross energy consumption has been increasing steadily every year. In 2008 the share of RES in total energy consumption accounted for 29.8%, in 2010 – 30.4%, in 2012 – 35.8%, but in 2013 – 37.1%. In 2013 final consumption of energy resources amounted to 165.9PJ, which is 3.9% less than in 2012. Decrease was registered in industry (of 5.7%), by other consumers (of 3.2%) and by households (of 7.9%). Energy consumption in transport sector increased by 1.3%, and in agriculture, forestry, hunting and fishery – by 3.3%.

Decline in petrol consumption in transport sector

The most widely used type of fuel in the transport sector in 2013 was diesel fuel, which accounted for 59.4% of total energy consumption in this sector. Compared to last year, diesel consumption in the transport sector increased by 3.5%. The second most widely used type of fuel in the transport sector was petrol, consumption of which in 2013 amounted to 8.8 PJ, which is 9.4% less than in 2012. Consumption of liquefied petroleum gas in the transport sector has been increasing since 2009, and in 2013 it amounted to 2.4 PJ, which is 27.4% more than in 2012. LPG consumption is increasing, mainly due to its low price.

Electricity output increases slightly

6 209 GWh of electricity was produced in 2013, which is 0.7% more than in 2012. Volume of electricity produced by water power plants decreased by 21.4%, while electricity generated in cogeneration power plants grew by 35.4%. Wind power plants produced 120 GWh of electricity, which is 5.2% more than in the previous year. Compared to 2012 net electricity import decreased by 19.9%.

The number of CHP plants and electric power continue to grow

CHP plants and installed electrical capacity in 2013 continued to increase, although the growth rate tends to decline: compared to 2012, the number of CHP plants grew by 59%, and in 2013 – by 25.8%. There are 166 combined heat and power plants in Latvia with the total electrical capacity of 1 251.5 (MW).

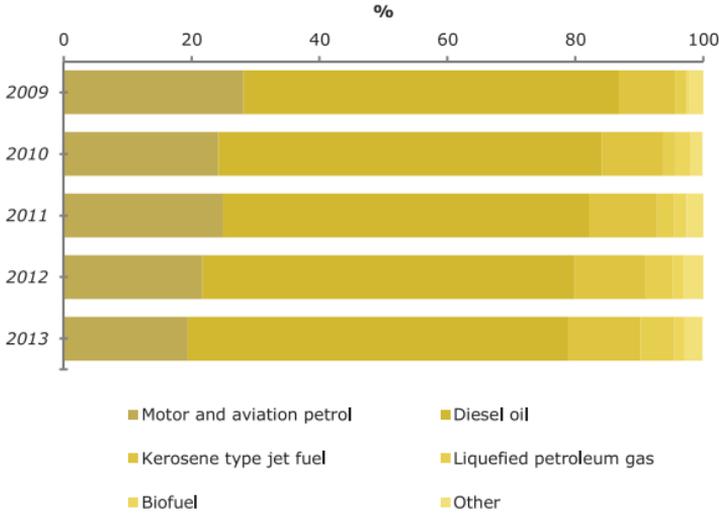
Energy consumption by energy resource

	2012	2013
Total, TJ	190 594	187 138
Oil products	58 387	59 274
Solid fuel	3 840	3 042
Natural gas	50 806	50 269
Fuelwood	52 503	53 106
Electricity	19 844	15 793
Other fuel	5 214	5 654
Average air temperature in autumn/ winter, °C	1.11	1.86

Consumption of energy resources by sector

	2012	2013
Final consumption, TJ	172 701	165 927
Industry	37 944	35 764
Transport	44 713	45 315
Households	57 628	53 066
Agriculture, forestry, hunting and fishing	6 312	6 519
Other consumers	26 104	25 263

Consumption of energy resources on transport



Production of electricity

	2012	2013
Total, GWh	6 168	6 209
- water-power plants	3 707	2 912
- CHP plants ⁽¹⁾	2 347	3 177
- wind power plants	114	120

28. Transport

Total volume of freights carried has grown

Compared to 2013 the volume of freights carried in main transport sectors increased by 2.5%.

In 2014, 57 mln tons of the freight was carried by rail, which is an increase of 2.2% compared to the previous year. National freights by rail accounted for 1.2 mln tons – 6.7% more than in 2013. In international traffic the volume of freights carried by rail rose by 1.1 mln tons or 2.1%. Import freight traffic grew by 3.6%, but export freight traffic – by 3.8%. Freight traffic in transit through Latvia reduced by 29.5%. Freight traffic by rail to/from Latvian ports rose by 4%, comprising 84.3% of international traffic.

In 2014, 62.2 mln tons of the freight was carried by road, which is a rise of 1.6 mln tons (2.7%) compared to 2013. Growth in the volume of freights was mainly determined by increase of 12.4% in the transportation of products of agriculture, hunting and forestry. The bulk (81.2%) of the total freight volumes by road was national freight, where the indicator remained at the level of the previous year (increase of 0.2%). International freight traffic rose by 1.5 million tons (15.3%). More than one third (36.5%) of the total volume of freights carried by road were comprised by metal ores and other mining and quarrying products and peat, 20.3% – products of agriculture, hunting and forestry, fish and other fishing products, but 12.1% – by wood and products of wood (except furniture), paper and paper products.

In 2014, 5.7 mln tons of oil products were transported by the oil products pipeline, a rise of 4.2% on 2013.

⁽¹⁾ Including power plants.

Total number of passengers carried reduced slightly

In 2014, total number of passengers carried by public transport has reduced by 0.7%.

In 2014, 92 mln passengers were carried by urban electrified transport, which is a drop of 0.2% compared to 2013. The number of passengers carried by trolleybus reduced by 1.9%, but by tramway – rose by 1.7%.

In 2014, 19.2 mln passengers were carried by train, which is a decrease of 2.8% compared to the previous year. 98.5% of all passengers carried by rail were carried by national transport. The number of passengers carried by national transport by rail fell by 2.5%. In the international traffic the number of passengers decreased by 21.3%.

According to data provided by the State Ltd. "Road Transport Administration", in 2014, 146.1 mln passengers were carried by regular bus traffic lines – less by 0.8% than in 2013. Since 2010 the number of passengers carried has become more stable. Gradual increase in the number of passengers is observed in urban routes, but slight reduction is observed in regional local and interurban routes.

In 2014, compared to 2013, number of passengers carried by national transport decreased by 0.8%, of which in regional local routes – by 5.7% and in regional interurban routes – by 4.4%, but the number of passengers carried in urban bus routes – rose by 0.6%; in its turn the number in international routes reduced by 11.8%.

Length of transport roads at the end of the year

	2005	2010	2013	2014
Length of state railway line, km	2 270	1 897	1 859	1 860
Length of state roads, thsd km	20.2	20.2	20.1	20.2
Length of municipal roads, thsd km	31.6	30.7	30.5	30.4
Tram lines, km	162	167	160	157
Trolley-bus lines, km	211	210	209	204
Oil products pipelines, km	417	417	417	417
Gas pipelines, km	1 281	1 240	1 242	1 242

Number of vehicles at the end of the year

	2005	2010	2013	2014
Passenger cars, thsd ⁽¹⁾	742.4	636.7	634.6	657.8
- of private owners,%	88.9	87.5	89.6	89.9
Buses, thsd ⁽¹⁾	10.6	5.4	5.0	4.8
- of private owners,%	26.4	13.0	8.0	8.0
Lorries (including road tractors), thsd ⁽¹⁾	113.1	71.6	79.9	83.2
- of private owners,%	37.0	27.8	25.5	25.9
Trolley-buses	322	302	264	257
Tramcars	336	319	273	274
State Railway locomotives	205	197	202	206
State Railway passenger carriages ⁽²⁾	492	238	238	238
Vessels of 100 or over gross registered tonnage	206	176	168	172
Aircrafts (engine propelled)	95	215	251	247

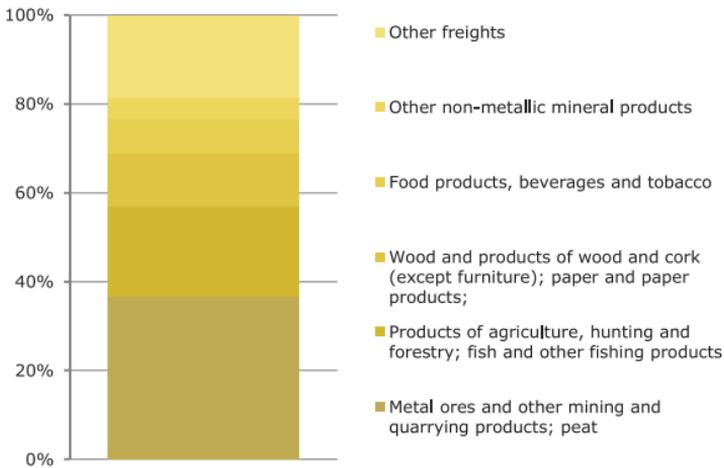
⁽¹⁾ With 30 December 2009 a new rule has been introduced to the Cabinet Regulations "On Vehicle Registration" - vehicle removal from the Register. A vehicle is removed from the Register of Vehicles in the following cases: if the vehicle is permanently registered in a foreign country and this fact is confirmed by the information of the foreign register (provided that the Road Traffic Safety Directorate has automated access to corresponding register) or document is issued by the corresponding foreign register; if the vehicle has not undergone technical inspection and no registration activity has been done to the vehicle for five years.

⁽²⁾ Includes carriages in electric and diesel trainsets.

Freight transport by road; 2014

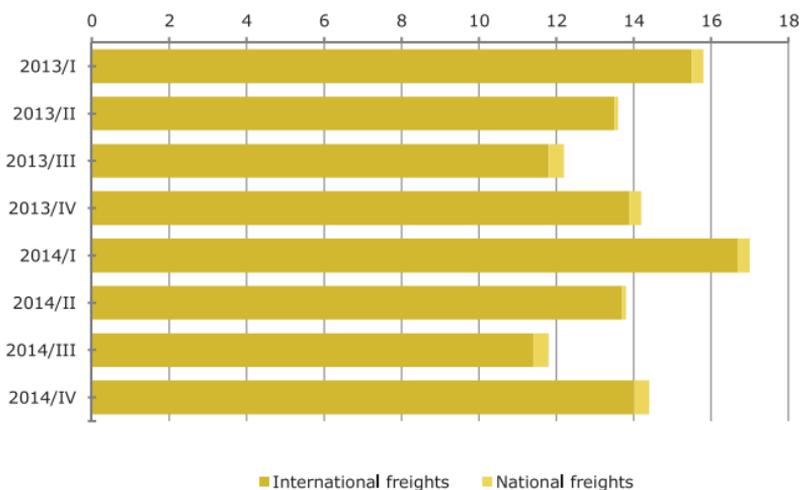
	Total, mln t	Changes as % over 2013
Total	62.2	+2.7
National freights	50.6	+0.2
Export freights	4.2	+2.0
Import freights	2.7	+10.5
Cross-trade freights	4.7	+34.4

Main freight traffic by road in 2014



Freights carried by rail; 2013 and 2014

(by quarters mln t)

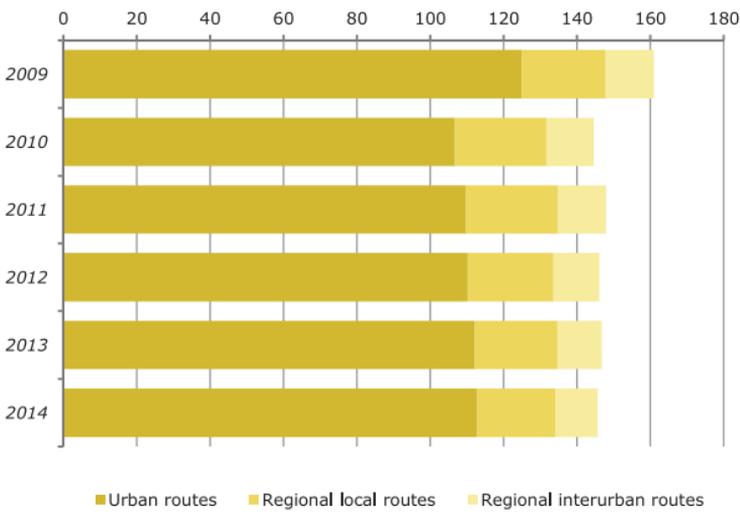


Passenger traffic

	2005	2010	2013	2014
Number of passengers arrived at Riga International Airport, thsd passengers	939	2 315	2 394	2 409
Number of passengers departed from Riga International Airport, thsd passengers	938	2 349	2 396	2 403
Passenger arrivals at the port of Rīga by ferry, thsd passengers	45.0	319.3	381.9	332.0
Passenger departures from from the port of Rīga by ferry, thsd passengers	53.1	327.6	388.8	345.0
Passenger arrivals at the port of Rīga by cruise ship in transit, thsd passengers	48.8	58.6	67.0	60.8
Railway, mln passengers	25.9	20.9	19.8	19.2
Passenger traffic by bus, mln passengers	221.2	145.0	147.2	146.1
Trolley buses, mln passengers	91.4	44.4	47.9	47.0
Trams, mln passengers	90.9	41.0	44.3	45.0
- in Riga	72.8	31.4	33.8	34.7
- in Liepāja	8.8	2.9	3.2	3.7
- in Daugavpils	9.3	6.7	7.3	6.6

Number of passengers carried by regular domestic bus traffic lines by routes

(mln passengers)



29. 12th Saeima elections results

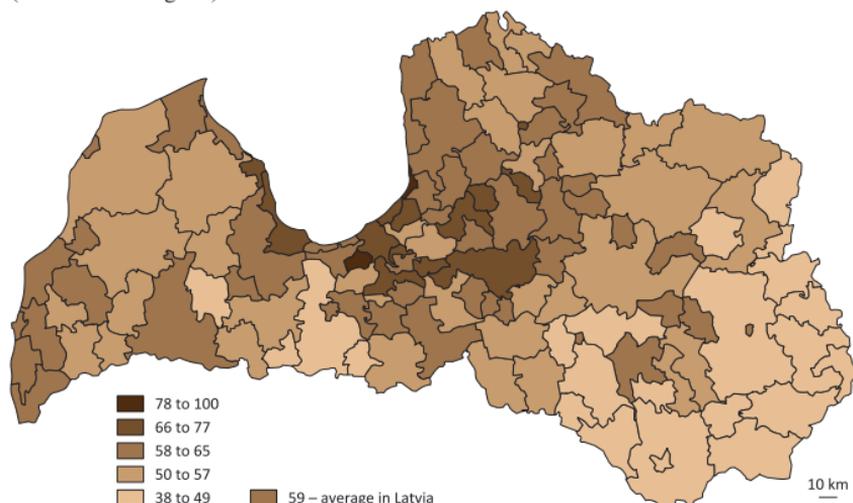
Voter turnout

The 12th Saeima elections in Latvia took place on 4 October 2014. According to the provisional data of the Central Election Commission ⁽¹⁾, 58.8% of the Latvian electorate participated in it. In total 913 thsd of voters participated in elections. There were 912 thsd valid ballot envelopes and 907 thsd valid ballot papers.

⁽¹⁾ According to the official results of the Central Election Commission.

Voter turnout in the 12th Saeima election

(as % of total eligible)



On the day of elections the Central Election Commission had registered 13 electoral lists of political parties and electoral alliances. Six parties managed to obtain at least 5% of the total number of votes and entered the Parliament.

The elected members

<i>Electoral list</i>	<i>Papers</i>	<i>Places</i>	<i>Per cent ⁽¹⁾</i>
Social democratic party <i>Harmony</i>	209 887	27	23.0
Party <i>Unity</i>	199 535	23	21.9
Union of Greens and Farmers	178 212	21	19.5
"For Fatherland and Freedom / LNNK"	151 568	17	16.6
Latvian Alliance of Regions	50 812	8	6.7
<i>For Latvia from the Heart</i>	52 521	7	6.8

30. European Parliament elections

Voter turnout

On 24 May 2014, Latvian voters were to elect eight members of the European Parliament (EP). A total of 445 thsd voters or 30.24% of the Latvian electorate turned out to vote in the elections ⁽²⁾. The average turnout in the European Union – 43.09% ⁽³⁾.

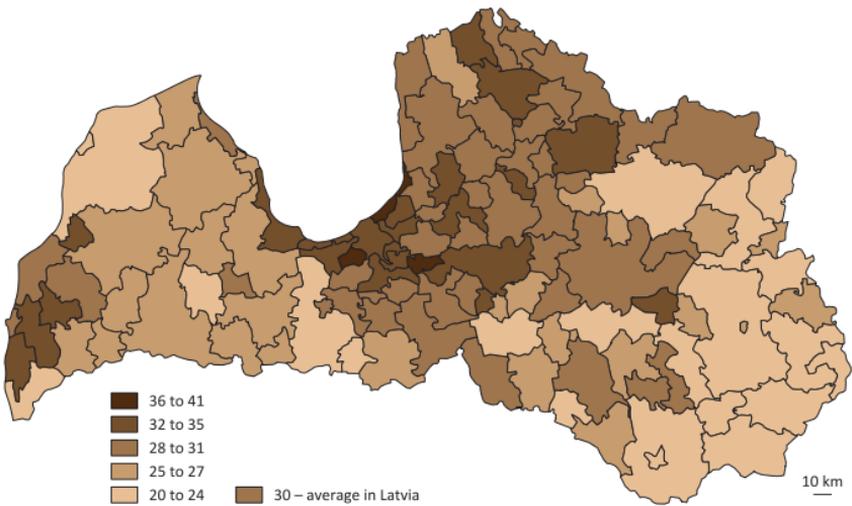
⁽¹⁾ The share is calculated against the number of valid ballot envelopes.

⁽²⁾ According to the official results of the Central Election Commission.

⁽³⁾ According to TNS/Seytl calculations in collaboration with the European Parliament <http://www.results-elections2014.eu/en/turnout.html>

Voter turnout in the European Parliament elections

(as % of total eligible)



The largest activity was observed in Riga with 146 thsd or 35.26% of voters, but the smallest – in Latgale region with 53 thsd or 23.4% of voters. In EP elections 2009, which took place together with the local elections, the activity level was almost twice as high (53.7%), while only 41.3% of the eligible voters took part in EP elections in 2004. In elections 2014, 98.9% of the ballot papers were valid.

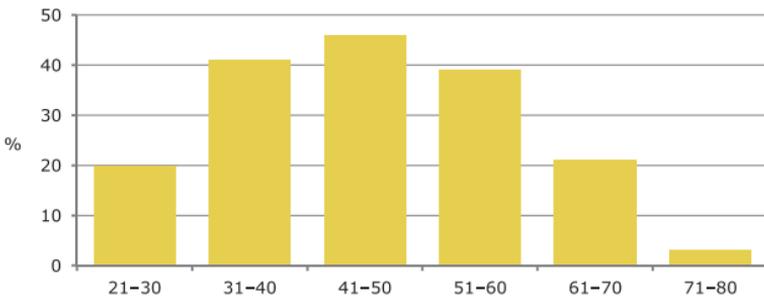
Electoral lists

14 lists with 170 candidates were registered at the Central Election Commission. There were 60 women and 110 men in the electoral lists and the share of women accounted for 35%. 159 or 93.5% of the candidates had acquired higher education. 100 candidates indicated Riga as their place of residence, 14 candidates indicated Jūrmala, 6 candidates – Mārupe County, 5 candidates – Daugavpils, and the remaining candidates – other cities and counties in Latvia.

Results

Of the 14 submitted lists, only five overcame the 5% threshold. The compelling leader was party "Unity", which won 46.19% of the vote and four seats in the EP. It was followed by "For Fatherland and Freedom / LNNK" (14.25%), the Social Democratic Party "Harmony" (13.04%), Union of Greens and Farmers (8.26%) and Latvian Russian Union (6.38%), each of them winning one seat in Parliament.

Age structure of candidates



On the election day the youngest candidate was 22 years old, but the oldest – 78 years, average age – 45.8 years.



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