

LATVIA 2017

STATISTICS IN BRIEF

Devoted to facts and people



Central Statistical Bureau of Latvia

LATVIA. STATISTICS IN BRIEF 2017

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The brochure "Latvia. Statistics in Brief 2017" gives an insight into the recent development trends of Latvia. The informative publication of the Central Statistical Bureau (CSB) introduces field 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 section begins with a short theme summary, 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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1. Explanation of Symbols

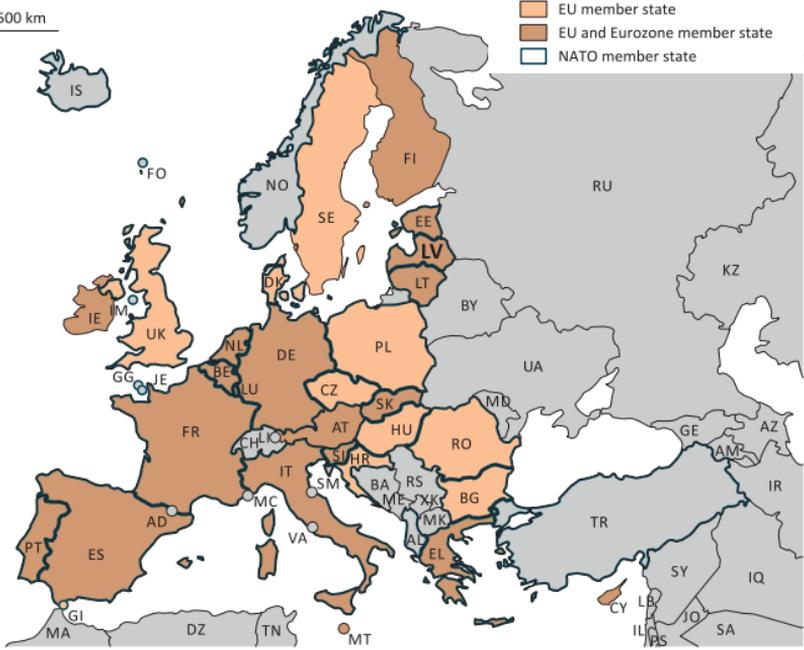
-	magnitude zero
...	data not available or too uncertain for presentation
•	data are not published due to confidentiality requirements
BEC	Classification by Broad Economic Categories
°C	Degree Celsius
data source	code of the Eurostat table used (for example, [tec00114])
euro/€	euro is the official currency used in 19 Member States of the European Union: 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
km ²	square kilometre
quartile	one fourth (25 %) of the number of surveyed households grouped in increasing sequence according to the disposable income per household.
quintile	one fifth (20 %) of the number of surveyed households grouped in increasing sequence according to the disposable income per one household member
kWh	kilowatt hour
m	metre
m ³	cubic metre
mm	millimetre
mln	million
bln	billion
MW	megawatt
MWh	megawatt hour
NACE	Statistical Classification of Economic Activities in the European Community (Rev. 2)
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)
pers.	person
PJ	peta joule
t	ton
TJ	tera joule
tkm	ton-kilometre
thsd	thousand

2. General Information in 2016

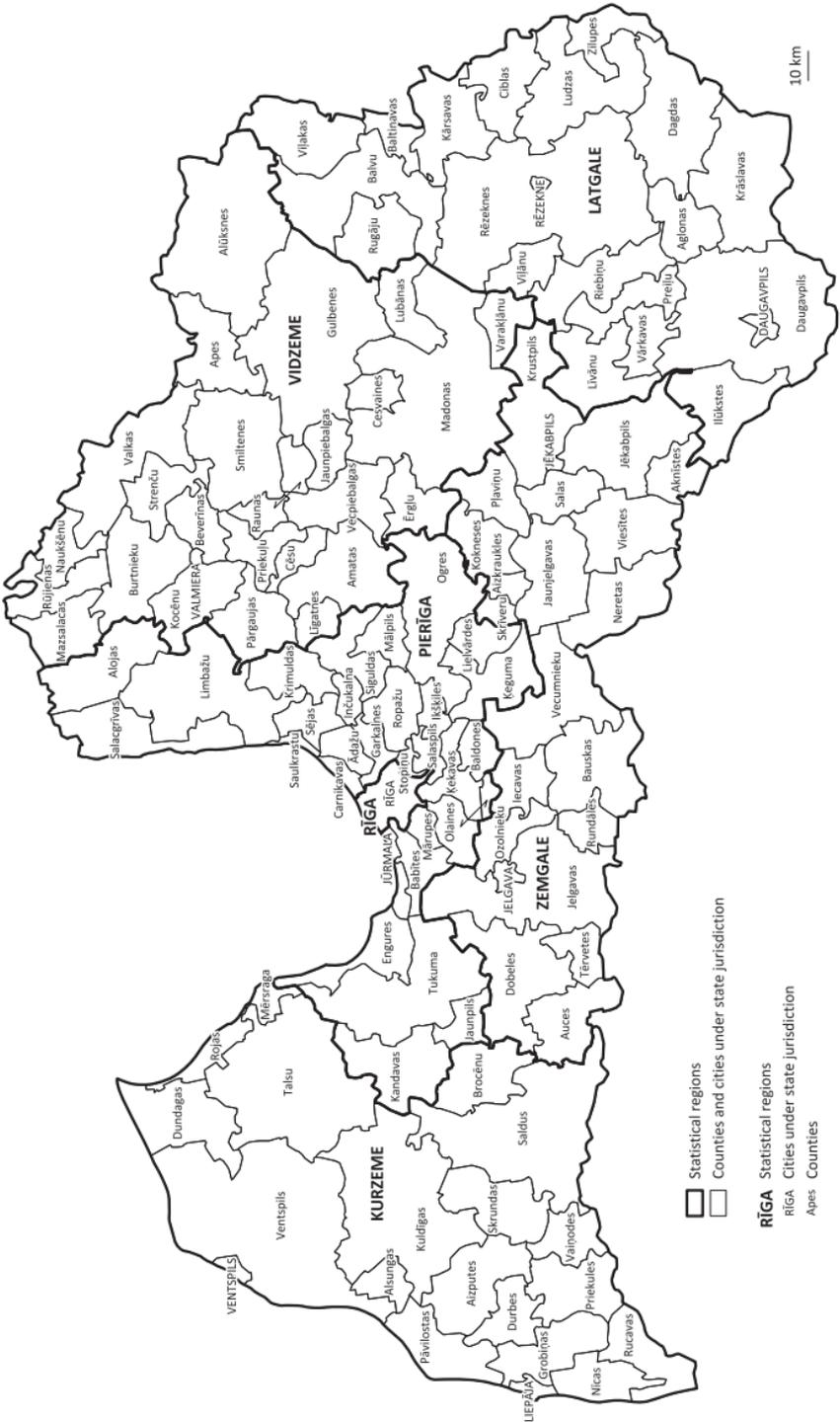
Official name of the country	Republic of Latvia
Area	64.6 (thsd km²)
Proclamation of independence	18.11.1918 (04.05.1990)
State system	Parliamentary republic
President	Raimonds Vējonis (since 08.07.2015)
Parliament	Saeima
Composition of Saeima	100 members
Accession to NATO	29.03.2004
Accession to the European Union	01.05.2004
Accession into the euro area	01.01.2014
Capital city (and the largest city)	Riga (32 % of the population)
Official language	Latvian
Population density	30.5 (per 1 km²)
Population:	
In the beginning of 2016	1 986.1 thsd
Latvians	61.8 %
Russians	25.6 %
Other	12.6 %
Number of women per 100 men	118
Mean age of population	42.1
Households:	
Number	796.2 thsd
Average size	2.44 persons
Labour status:	
Activity rate	68.2 %
Employment rate	61.2 %
Unemployment rate	9.6 %
Personal income:	
Minimum wages and salaries	370 euros
Gross wages and salaries	859 euros
Changes in net wages and salaries, Compared to the previous year	4.7 %
Old-age pension	280 euros
Economy and finances	
GDP	25.0 bln euros
GDP per capita	12 760 euros
GDP changes, compared to the previous year	1.4
Annual inflation	0.1 %
General government debt	8.8 bln euros
Budget deficit as % of GDP	-1.3 %
Balance of trade	-1.9 bln euros

Administrative boundaries of Europe

500 km



Latvia by administrative divisions and statistical region



Administrative territorial division

According to the Law on Administrative Territories and Settlements in Latvia on 1 January 2017 there were 119 administrative territories – 9 cities under state jurisdiction and 110 counties.

Statistical regions

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

3. Territory and Climate Characteristics

The territory of Latvia is ten times smaller than that of France, the largest country of the European Union, slightly smaller than the territory of neighbouring Lithuania, but 1.4 times larger than the territory of Estonia. The total length of the country's borderline amounts to 1.8 thsd km, of which 1.4 thsd km make up the land border. Latvia has a land border with Estonia (343 km), Russia (276 km), Belarus (173 km) and Lithuania (588 km), as well as a maritime border with Sweden, Lithuania and Estonia.

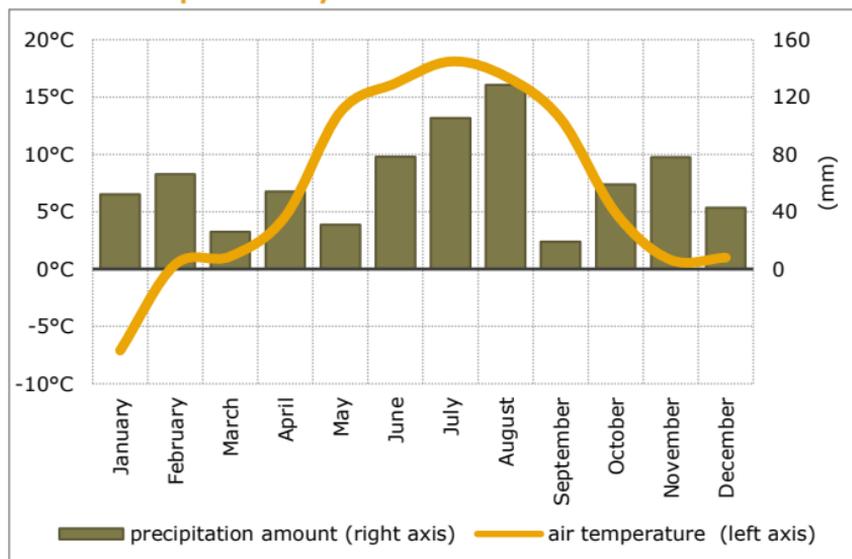
The territory of Latvia comprises 64.6 thsd km², of which 62.1 thsd km² are taken up by land, including 30.4 thsd km² of forests and 23.4 thsd km² of agricultural land, whereas 2.5 thsd km² are covered by inland waters.

Latvia is located in the western part of the East European Plain; the melting of glaciers has formed a relief rich in hills and valleys facilitating water accumulation in lowlands, which is why there are more than 12 thousand rivers in Latvia with the total length of 38 thsd kilometres. Gauja (452 km) and Daugava (1 005 km, 352 km of which in the territory of Latvia) are the longest rivers. There are also 2.3 thousand lakes that are larger than 1 ha. Lake Lubāns (80.7 km²) and Lake Rāzna (57.6 km²) are the largest lakes, whereas Lake Drīdzis (65.1 m) is the deepest one. The highest point of the territory is located in the Vidzeme Upland – 311.9 m above the sea level.

Climate

Latvia is located in the temperate climate zone; the weather conditions are affected by the proximity of the sea and air masses from the Atlantic Ocean, therefore it is characteristic for Latvia to have a mild and humid climate, as well as four distinct seasons. The average annual precipitation varies between 600 and 700 mm. In 2016, the mean air temperature in January, the coldest month of the winter, constituted -7.1°C (1.8°C below the long-term normal), whereas in August, the hottest month of the summer, it constituted +18.1°C (1.7°C above the normal).

Mean air temperature by month in 2016



Weather conditions in Riga

	Normal	2010	2015	2016
Air temperature, °C				
mean	6.9	6.9	8.9	8.3
maximum	34.5	32.6	30.7	32.2
minimum	-34.9	-23.2	-13.3	-20.3
Total precipitation, mm	706	860	502	761
Number of days with precipitation	125	128	108	94
Average relative humidity, %	79	79	77	78
Hours of sunshine, h	1 758	1 844	1 969	1 944

4. Population

Population decline still observed

Provisional estimates show that at the beginning of 2017 Latvia population accounted for 1 million 953 thousand. Population decline is still observed, but slower. During six recent years (since the beginning of 2011), population has dropped by 122 thousand. In 2015, the decline rate constituted 0.9 %, compared to 1.4 % in 2011. In 2016, provisional population number reduced by approximately 16 thousand (decrease rate 0.8 %).

Since 1991, the Latvian natural increase has been negative, and the number of deaths still exceeds the number of births. Population number decreased due to both negative natural increase and long-term migration (with the number of emigrants exceeding the number of immigrants). Over the recent 20 years (beginning of 1996–beginning of 2016), Latvia population declined by 500.6 thousand. At the beginning of 2016, 68 % of Latvia population lived in urban areas, more than a half or 48 % of which resided in Riga, where population density accounted for 2 104 persons per km² (30 pers./km² on average in Latvia).

As indicated by the age structure statistics, like in the great majority of the European Union countries, Latvia population is ageing. At the beginning of 2016, out of 1.969 million people, children (aged under 14) constituted 15.3 %, population at working age (aged 15–61) – 61.5 %, and people at retirement age (aged over 62) – 23.2 %. Since the beginning of 2011, the number of Latvia population at working age has dropped by 9.0 %, while the number of people at retirement age has grown by 1.9 %. Decline in the population at working age was notably affected by migration.

In 2015, more marriages and less divorces registered

Recent years indicate increase in the number of marriages concluded – from 9 290 marriages in 2010 to 13 617 marriages in 2015. During this period, the number of marriages per 1 000 inhabitants grew 1.6 times (from 4.4 to 6.9). Out of the persons married in 2015, 51 % of males and 65 % of females were aged under 30. The average age of males at the first marriage comprised 31 years, while that of females 29 years. In 2015, 29 % of males and 28 % of females entered into marriage repeatedly. In 2015, 5 151 marriages were divorced – a drop of 18 %, compared to 2014. The average duration of marriage in Latvia constituted 14 years – 5 years more than in 1990.

Birth rates are improving

A slight rise in Latvian birth rates has been registered already for five years in a row. In 2015, 22 thousand babies were born. The average age of mother at childbirth has been increasing gradually, and in 2015 it constituted 29.8 years (27.0 years at first childbirth). In 2010, corresponding indicators comprised 28.5 and 25.9 years, respectively. More than a half of babies (58 %) were born in officially registered marriage. During 80-ties, marital births constituted on average 85 % of the birth number. In 2015, Latvian total fertility rate ⁽¹⁾, showing progress of the generation exchange, accounted for 1.7 and still lagged significantly behind the level desired (2.1–2.2). In 2014, the total European rate comprised 1.6, moreover in many countries it was even below the Latvian level.

In 2015, the number of deaths constituted 28.5 thousand; the average age of females at death accounted for 79 years and that of males for 68 years. In 2015, the number of infant deaths per 1 000 live births comprised 4.1 (in 2010 – 5.6). These days, people in Latvia live on average five years longer than in 1991, moreover life expectancy is increasing gradually. However, males tend to live shorter life than females (by 9–11 years). In 2015, the average life expectancy of females accounted for 79.3 years and that of males for 69.7 years.

Migration rates still high

In 2015, 9.5 thousand people arrived to Latvia for permanent residence ⁽²⁾, while 20.1 thousand people moved to another country – 5.8 % less than a year before. The majority of persons emigrated were people at working age (84 % of the total emigrant number).

Within the age group 15–29 years, 7.3 thousand people left the country in 2015 – 5.8 % more than in 2014. The number of emigrants at working age (aged 15–61) exceeded the number of immigrants at the same age 2.3 times. In 2015, 51.4 % of immigrants came from the European Union countries and 39 % from CIS countries. Out of the total number of persons emigrating in 2015, 76 % went to the European Union countries. Compared to 2014, in 2015 the number of people emigrating to the European Union countries increased by 800 persons or 5.4 %. The number of people returning back to Latvia from other European Union countries fell by 900 persons or 16 %.

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

⁽²⁾ Period of one year or longer.

Usually resident population: number and density

(at the beginning of the year)

	2010	2015	2016
Population number	2 120 504	1 986 096	1 968 957
males	970 931	911 207	904 299
females	1 149 573	1 074 889	1 064 658
Population density, pers. per 1 km ²	33	31	30
Population number in Riga	673 433	641 007	639 630
Population density in Riga	2 215	2 109	2 104

Usually resident population: change and corrective factors

	2010	2014	2015
Change – total	-45 899	-15 372	-17 139
natural increase	-10 259	-6 720	-6 499
net migration	-35 640	-8 652	-10 640
Change per 1 000 inhabitants	-21.9	-7.7	-8.7

Age structure of usually resident population

(at the beginning of the year)

	2010	2014	2015
Population – total	2 120 504	1 986 096	1 968 957
aged 0–14	300 294	297 720	300 260
aged 15–24	299 722	212 297	199 613
aged 25–49	736 717	681 427	675 763
aged 50–64	399 594	409 576	406 736
aged 65+	384 177	385 076	386 585
Demographic burden	545	613	625
Average age of population, years	40.4	42.0	42.1

Ethnic composition of population

(at the beginning of the year)

	1989	2000	2015	2016
Population – total, %	100	100	100	100
Latvians	52.0	57.7	61.6	61.8
Russians	34.0	29.6	25.8	25.6
Belarusians	4.5	4.1	3.4	3.4
Ukrainians	3.5	2.7	2.3	2.3
Poles	2.3	2.5	2.1	2.1
Other, including unspecified ethnicity	3.7	3.4	4.8	4.8

Usually resident population of Latvia: country of birth and citizenship

(at the beginning of the year)

	2011	2016
Country of birth, %	100	100
Latvia	85.4	86.9
Other European Union country	1.4	1.4
Russia	7.7	6.7
Other country	5.5	5.0
Citizenship, %	100	100
Latvian	83.5	85.3
Non-citizens of Latvia	14.3	11.8
Foreigners	2.2	2.9

Birth rates

	2010	2015
Number of live births – total	19 781	21 979
boys	10 246	11 442
girls	9 535	10 537
Number of boys per 1 000 girls	1 075	1 086
Share of marital births	55.6	58.5
Live births per 1 000 inhabitants	9.4	11.1
Total fertility rate	1.36	1.71

Live births by order

	2010	2015
Live births – total, %	100	100
First	48.7	42.6
Second	34.5	37.5
Third	11.3	14.1
Fourth and higher order	5.5	5.8

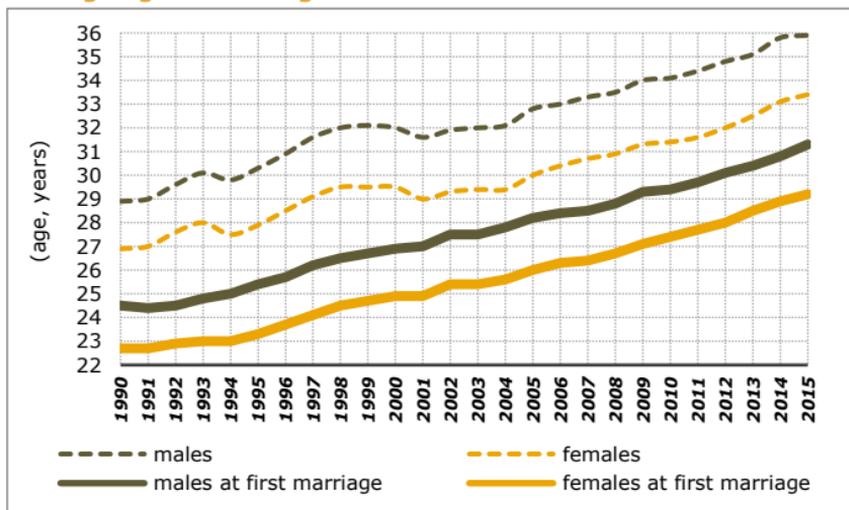
Average age of mother at childbirth

	2010	2015
Average age of mother at childbirth, years	28.5	29.8
At birth of first child	25.9	27.0
At birth of second child	29.8	30.7

Marriages and divorces

	2010	2015
Number of marriages – total	9 290	13 617
Number of marriages per 1 000 inhabitants	4.4	6.9
Average age at marriage:		
males	33.6	35.4
females	30.9	32.9
Average age at first marriage:		
males	28.9	30.8
females	26.9	28.7
Number of divorces – total	4 930	5 151
Average duration of marriage, years	12.9	14.0

Average age at marriage



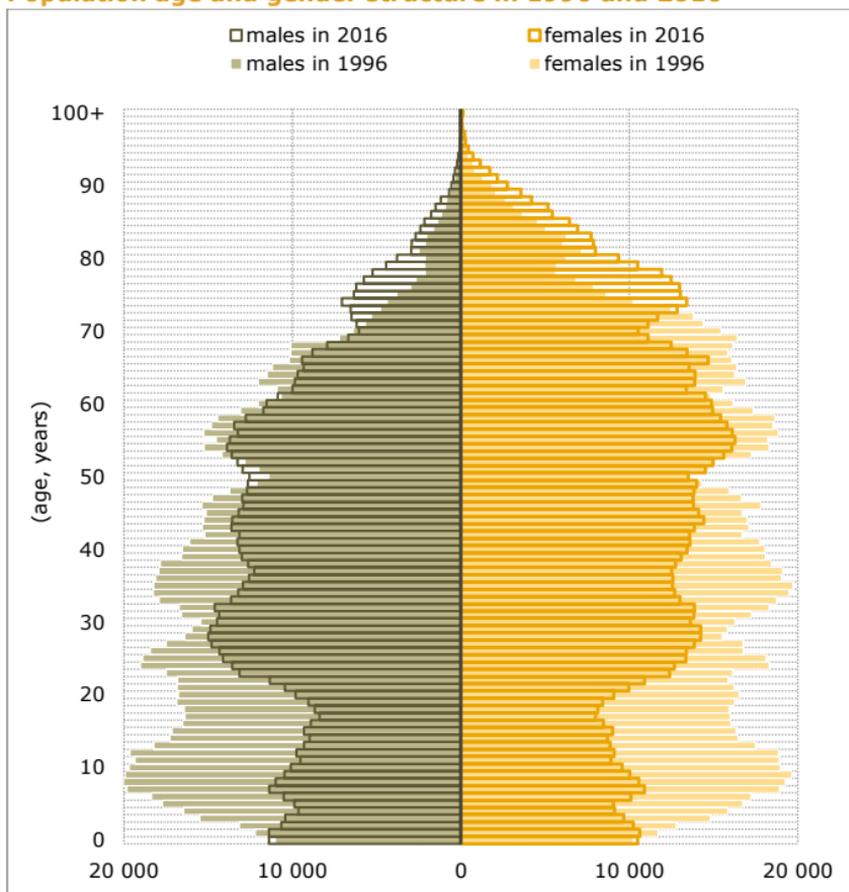
Mortality

	2010	2015
Number of deaths – total	30 040	28 478
males	14 561	13 333
females	15 479	15 145
Average age at death, years	72.0	73.7
males	66.8	68.1
females	76.8	78.6
Number of deaths per 1 000 inhabitants	14.3	14.4
Number of infant deaths	110	90
Number of infant deaths per 1 000 live births	5.6	4.1
Life expectancy at birth, years	73.1	74.7
males	67.9	69.7
females	77.9	79.3

International long-term migration by country group

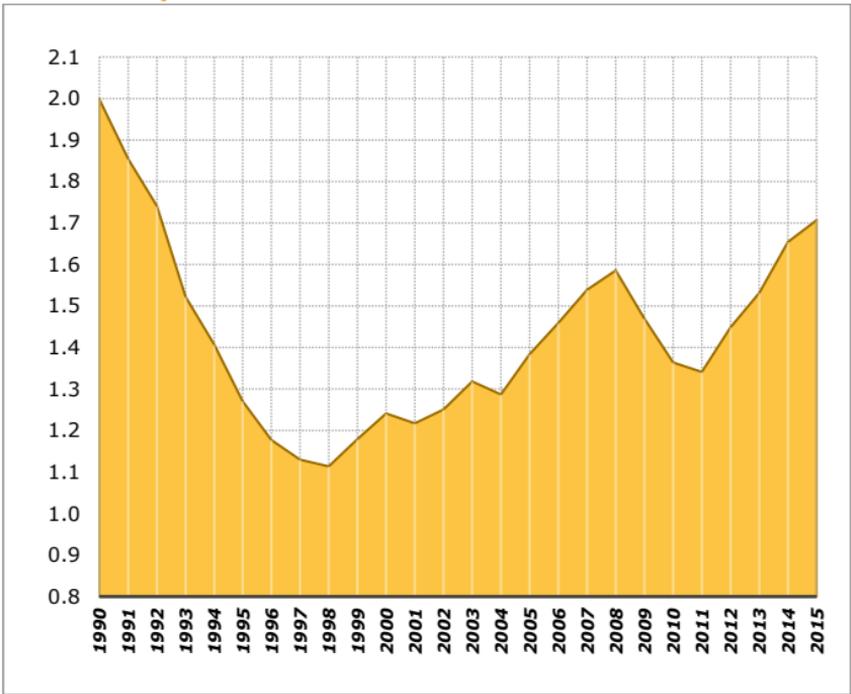
	Immigration		Emigration	
	2010	2015	2010	2015
Total, %	100	100	100	100
European Union (EU)	38.0	51.4	76.7	75.7
EFTA ⁽¹⁾	1.3	2.2	3.5	5.3
CIS	49.8	38.9	12.4	14.1
Other countries	10.9	7.5	7.4	4.9

Population age and gender structure in 1996 and 2016

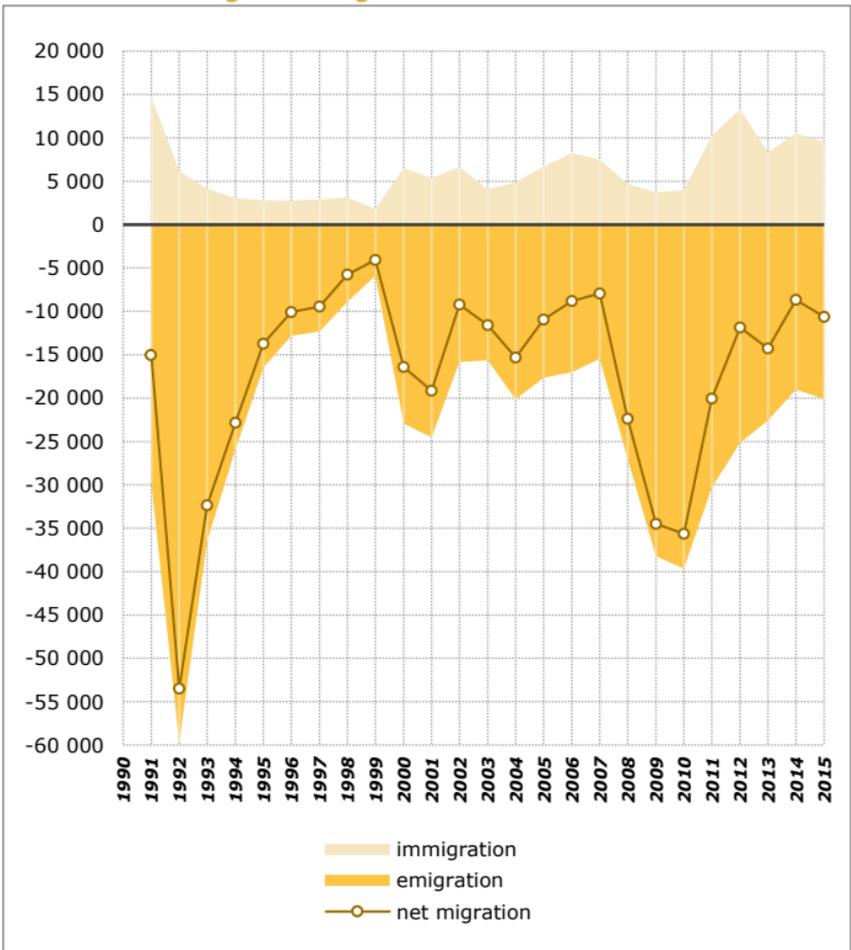


⁽¹⁾ European Free Trade Association. EFTA members: Norway, Switzerland, Iceland, and Liechtenstein

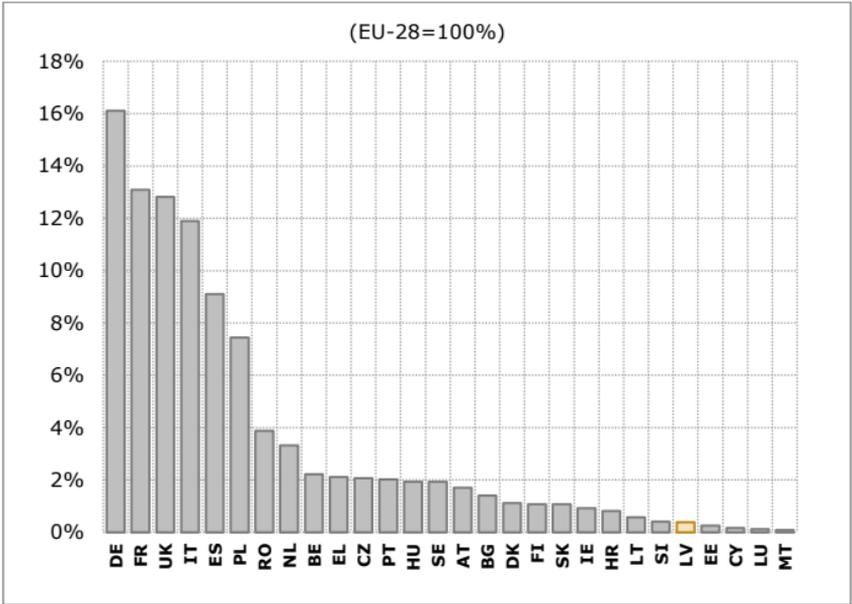
Total fertility rate



International long-term migration

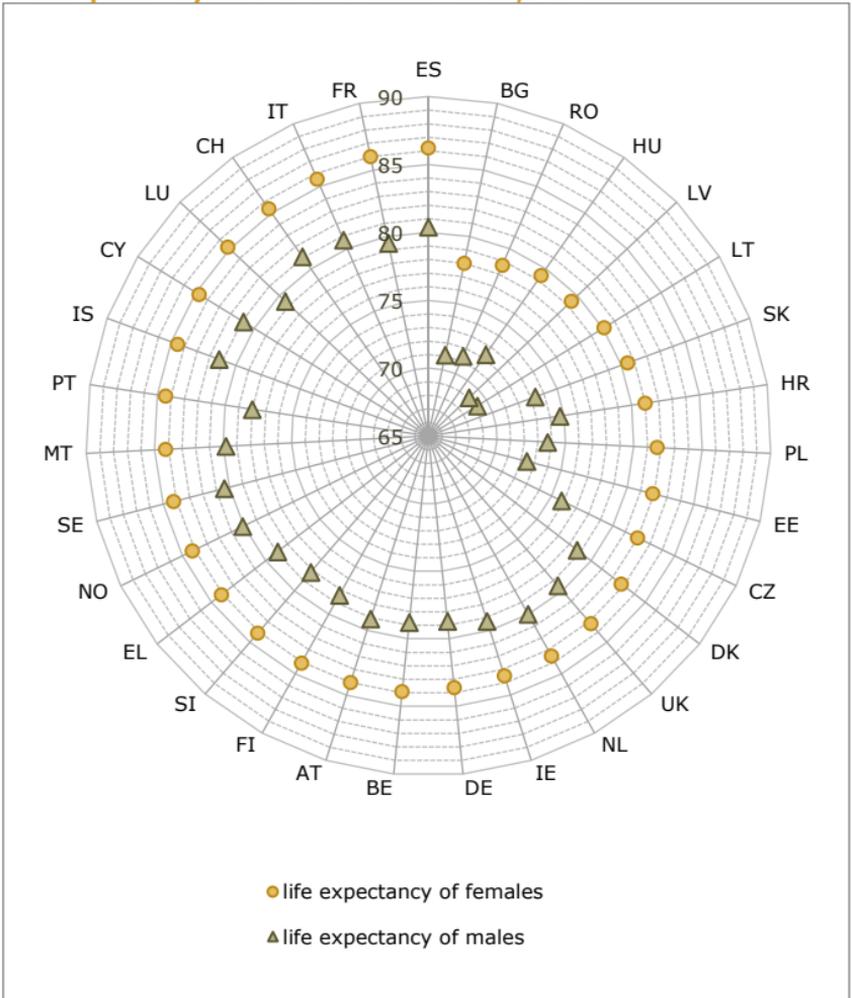


Population in the EU Member States at the beginning of 2016



Data source: Eurostat [demo_pjan] 07.02.2017.

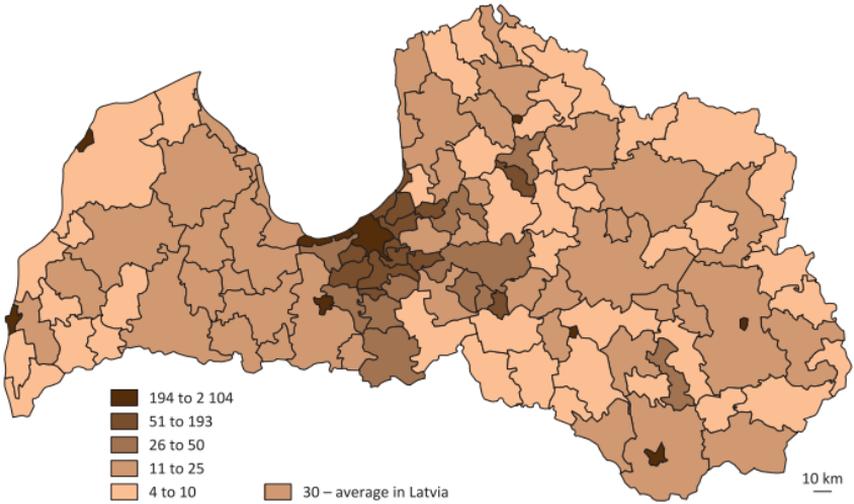
Life expectancy at birth in EU countries; 2015



Data source: Eurostat [tps00025] 02.03.2017.

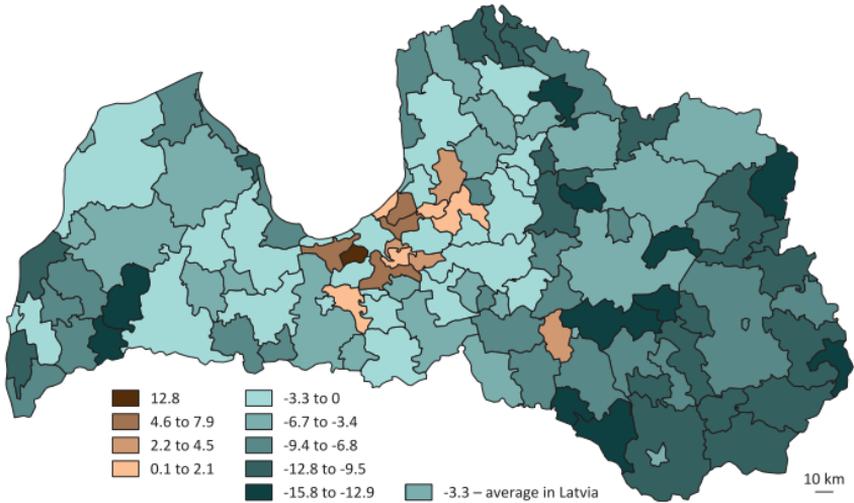
Population density at the beginning of 2016

(pers./ km²)



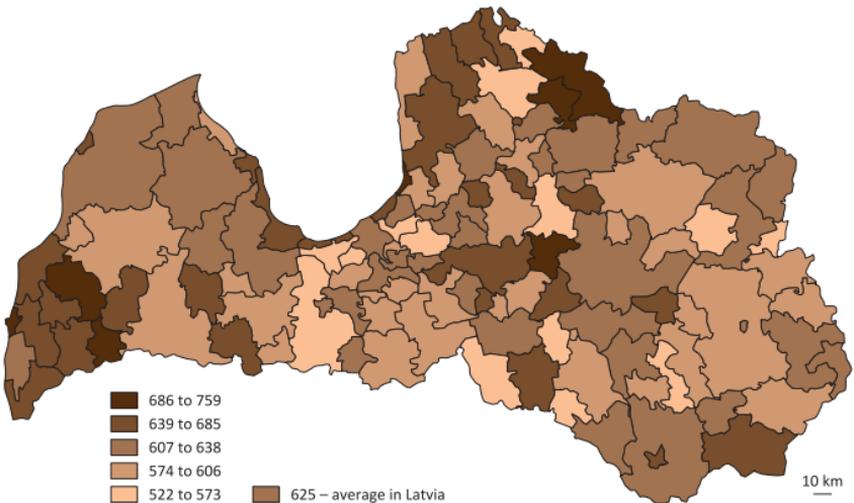
Natural increase by administrative territory; 2015

(per 1 000 inhabitants)



Demographic burden by administrative territory; 2016

(at the beginning of the year)



5. Employment and Unemployment

Gradual employment increase recorded

The highest employment rate (62 %) in Latvia was reached in 2008, although economic crisis resulted in sharp employment reduction during the following years reaching the lowest rate (52 %) in 2010. In 2016, 893.3 thousand persons or 61.6 % of the population aged 15–74 were employed. Compared to the year before, in 2016 employment rate increased by 0.8 percentage points.

Employment rate among men grew by 0.1 percentage points and among women by 1.3 percentage points. In 2016, the highest employment rate – 81.7% – was recorded among population aged 35–44, whereas the lowest employment rate – 32.8 % – was observed among young people aged 15–24. In 2016, 62.2 thousand young people were employed (in 2015 – 69.4 thousand). Since 2010, the Latvian employment rate has increased by 9.6 percentage points, showing the sharpest rise (of 12.0 percentage points) in Pierīga region and the smallest increase (of 4.5 percentage points) in Latgale region.

Unemployment rate tends to reduce

Along with the economic recession, unemployment rate grew rapidly in 2009, and in 2010 it reached 19.5 %. Since 2011, the number of unemployed persons has been declining gradually. In 2016, 95.3 thousand persons or 9.6 % of the active population aged 15–74 were unemployed. Compared to 2015, the number of unemployed persons has dropped by 2.9 thousand, while unemployment rate has reduced by 0.3 percentage points. The unemployment rate among women still is lower than that among men (8.4 % and 10.9 %, respectively).

Also youth unemployment has decreased since 2011 (constituting 17.3 % in 2016 and showing an increase of 1.0 percentage points, compared to 2015). The lowest unemployment rate among the Baltic states was recorded in Estonia – it comprised 13.4 % in 2016, while Lithuania and Latvia follows with 14.5 % and 17.3 %, respectively.

Inactive population accounts for about one third

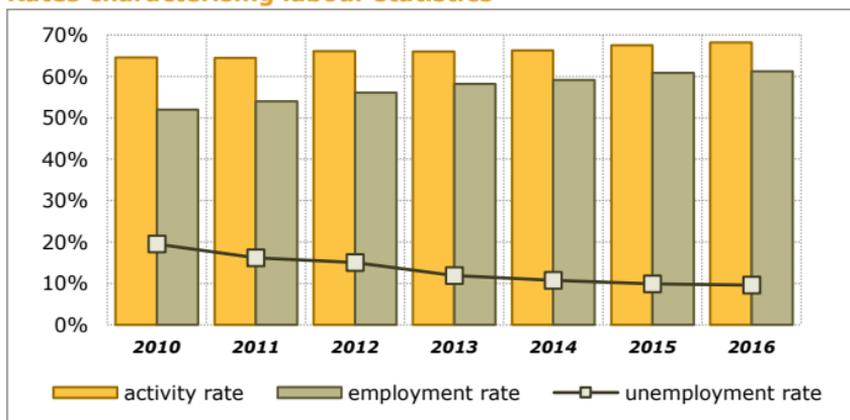
During the recent years, approximately one third of the population consists of people neither employed, nor actively seeking work, the same share was recorded also in 2016, when inactive population accounted for 31.8 % or 461.7 thousand people. Compared to the year before, inactive population has declined by 3.5 % or 16.7 thousand.

Key labour statistics

(aged 15–74)

	2010	2015	2016
Population aged 15–74, thsds	1 635.3	1 472.6	1 450.3
Active population	1 056.5	994.2	988.6
employed persons	850.7	896.1	893.3
unemployed persons	205.8	98.2	95.3
Inactive population	578.8	478.4	461.7
Activity rate, %	64.6	67.5	68.2
Employment rate, %	52.0	60.8	61.6
Unemployment rate, %	19.5	9.9	9.6

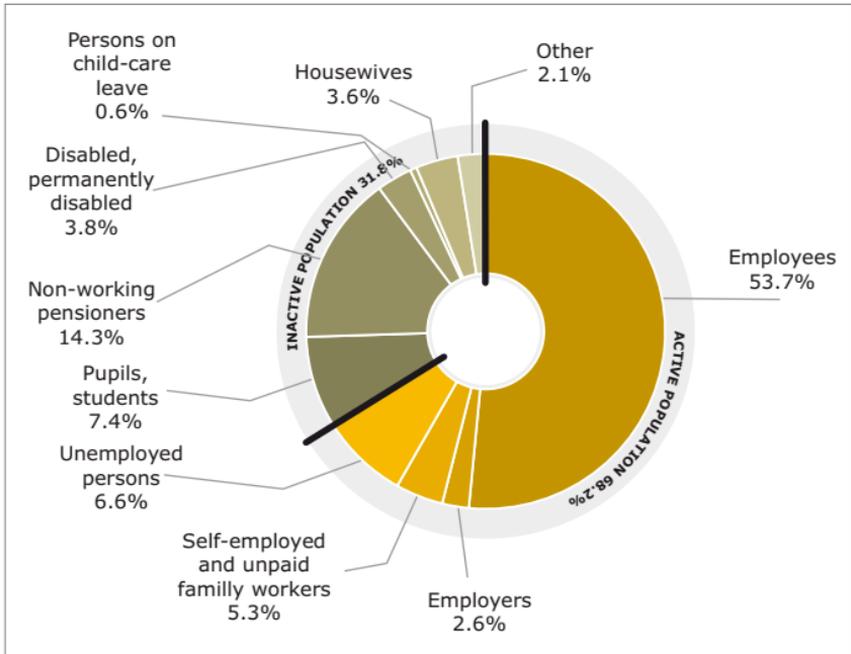
Rates characterising labour statistics



Employed persons by main kind of economic activity

	2010	2015	2016
Employed persons – total, thsds ⁽¹⁾	850.7	896.1	893.3
(A) Agriculture, forestry and fishing	73.3	71.1	68.7
(B–E) Manufacturing and energy	138.6	139.9	149.2
(F) Construction	57.6	71.9	66.1
(G, I) Wholesale and retail trade; accommodation and food service activities	162.0	159.2	154.7
(H, J) Transportation and storage; Information and communication	98.1	111.3	107.2
(K–N) Financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities	87.8	102.2	102.0
(O) Public administration and defence; compulsory social security	59.7	59.1	62.2
(P) Education	84.5	83.4	81.7
(Q) Human health and social work activities	49.5	55.8	53.6
(R–U) Other economic activities	39.4	41.7	47.4

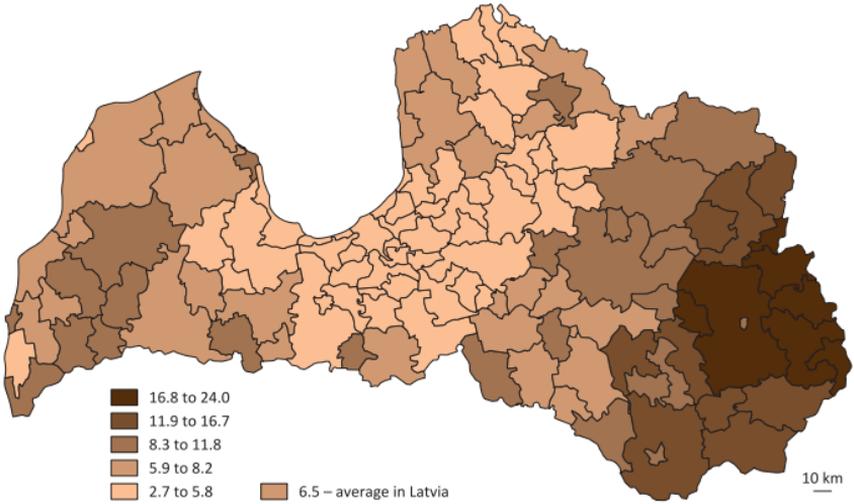
Labour status of population in 2016



⁽¹⁾ The number of employed persons includes also persons with unspecified economic activity.

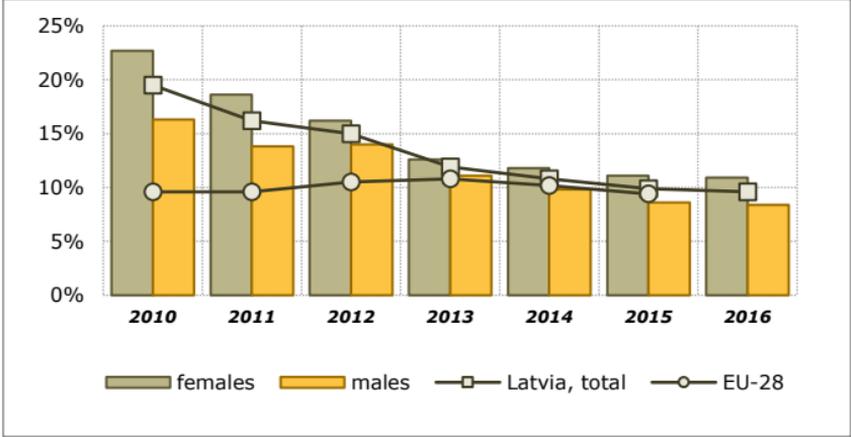
Registered unemployed persons at the end of 2016

(in the age group 15–61 years, %) ⁽¹⁾



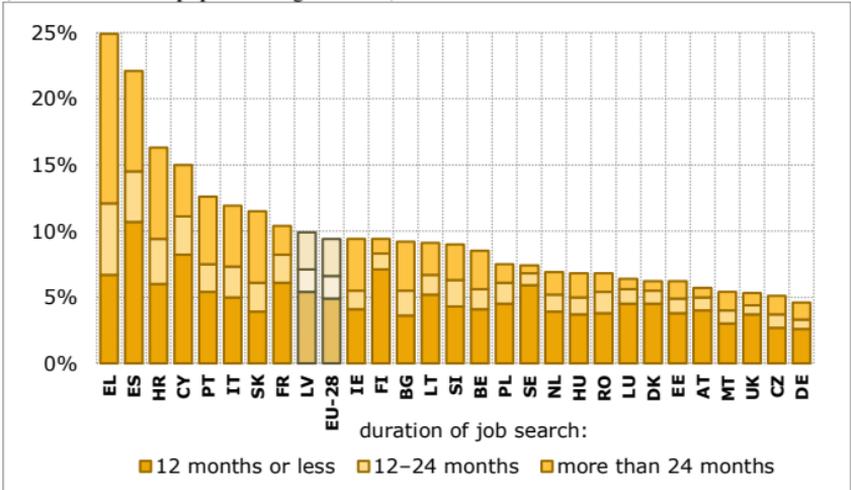
Unemployment rate

(share of unemployed persons in the total active population aged 15–74)



Unemployment rate in EU Member States by duration of work search; 2015

(in the total active population aged 15–74)



Data source: Eurostat [une_rt_a] [une_ltu_a] 16.03.2017.

⁽¹⁾ Data of the State Employment Agency.

6. Earnings

Increase in earnings still observed, nonetheless smaller

In 2016, the average monthly wages and salaries in the country reached 859 euros. During the year, wages and salaries rose by 41 euros or 5.0 %, which was the lowest annual increase rate recorded within the three recent years. The average net wages and salaries comprised 631 euros or 73.5 % of the gross wages and salaries; the rise observed during the year was smaller than that recorded in gross wages and salaries – 4.7 %. Considering rise in consumer prices of 0.1 %, real net wages and salaries grew by 4.6 %. The increase (from 360 to 370 euros or by 2.8 %) in the size of the national minimum wage as of 1 January 2016 did not have significant effect on the changes in average wages and salaries.

Key earnings indicators

	2014	2015	2016
Gross wages and salaries, euros	765	818	859
Net wages and salaries, euros	560	603	631
Minimum monthly wage, euros	320	360	370
Changes in net wages and salaries over the previous year, %	8.6	7.6	4.7
Changes in real wages and salaries (net), compared to the previous year, %	8.0	7.4	4.6

In 2016, the sharpest wage and salary rise was recorded in sectors with low labour remuneration: other service activities (of 8.5 %) and accommodation and food service activities (7.1 %). Within the other service activities sector, the most notable earnings rise was observed in activities of political organisations and activities of other membership organisations. Sharp wage and salary increase was observed also in administrative and support service activities (of 7.3 %), indicating rapid growth in activities of employment placement and human resources provision, as well as office administrative, office support and other business support activities. In 2016, the smallest wage and salary increase was registered in professional, scientific and technical activities, as well as transportation and storage. In 2016, the highest earnings were observed in financial and insurance activities, information and communication, energy sector, public administration and defence; compulsory social security, as well as mining and quarrying.

In 2016, the average gross wages and salaries increased in all regions of Latvia. The sharpest rise was recorded in Zemgale region (of 6.1 %), whereas the smallest in Kurzeme (3.4 %). The highest average gross wages and salaries were observed in Riga (971 euros), while the lowest in Latgale (952 euros).

Tax burden on earnings in Latvia is reducing gradually. In 2015, the effective tax rate constituted 29.1 %, ranking Latvia 11th among the EU countries. The highest effective tax rate was recorded in Belgium (42.0 %), the lowest in Estonia (18.4 %), and the average indicator of the EU constitutes 29.5 %.

Since 1 January 2017, minimum monthly wage in Latvia comprises 380 euros. Compared to other EU countries having national minimum, Latvia has one of the lowest indicators. Smaller minimum monthly wage was recorded only in Romania (275 euros) and Bulgaria (235 euros), whereas that of Luxembourg is the highest in the EU (1 999 euros).

Gender pay gap tends to reduce

Similarly to females in other EU countries, also employed Latvian women earn less than men. In 2015, hourly earnings gender pay gap in Latvia comprised 17.0 % and was above the European Union average indicator, however, compared to the three recent years, when indicator was gradually growing, the gap has reduced. Eurostat data show that, in 2015 wages and salaries received by females in the European Union on average were by 16.3 % smaller than those received by males. The greatest gender pay gap was registered in our neighbouring country Estonia, where females earned by 26.9 % less than males. Indicator exceeding 20 % was recorded also in Czech Republic, Germany, Austria and United Kingdom. It should be noted that the smallest gender pay gap was observed in Luxembourg and Italy (5.5 %) (2.9 %), as well as Rumania (5.8 %).

Wages and salaries in statistical regions

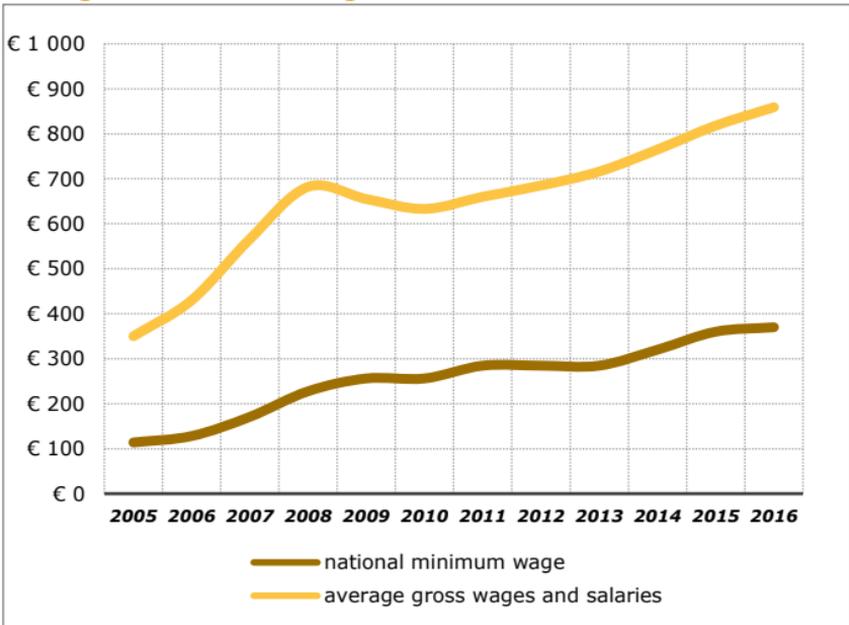
	Gross			Net		
	2014	2015	2016	2014	2015	2016
Monthly average, euros	765	818	859	560	603	631
Riga	869	925	971	633	679	710
Pierīga	721	770	806	531	572	597
Vidzeme	598	643	675	444	480	502
Kurzeme	651	693	716	479	512	529
Zemgale	645	683	725	476	509	539
Latgale	522	564	592	388	419	440

Wage and price changes

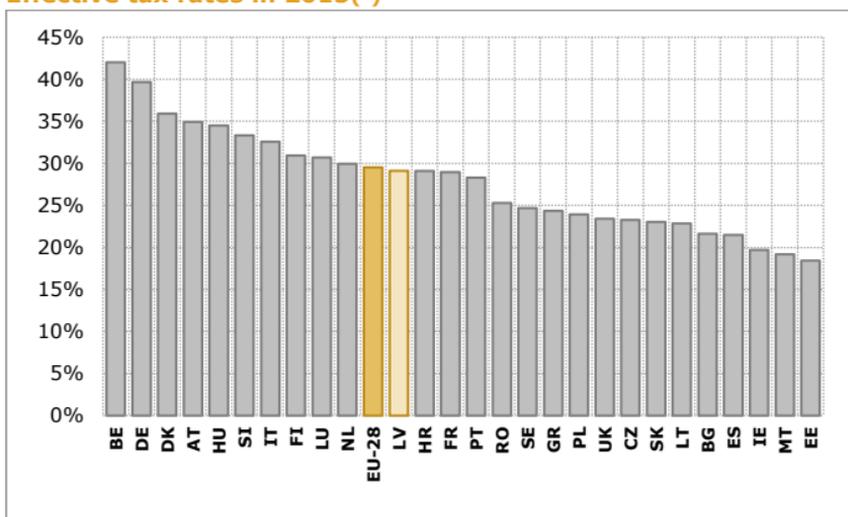
(as per cent, compared to the previous year)



Average and minimum wage

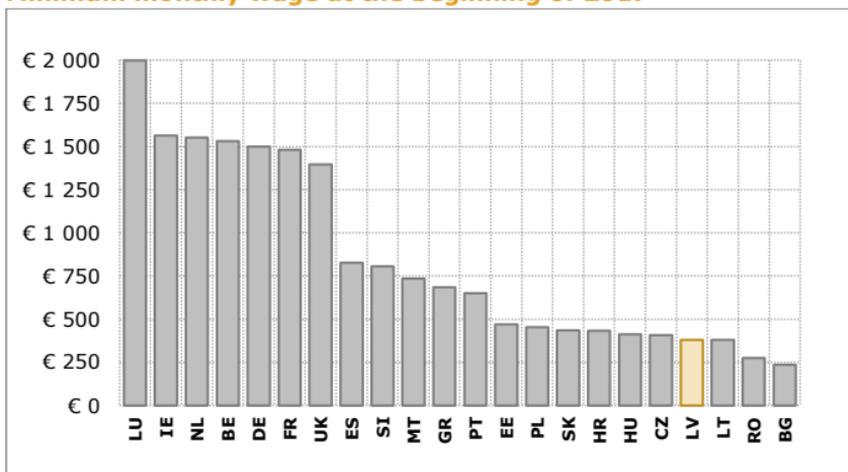


Effective tax rates in 2015⁽¹⁾



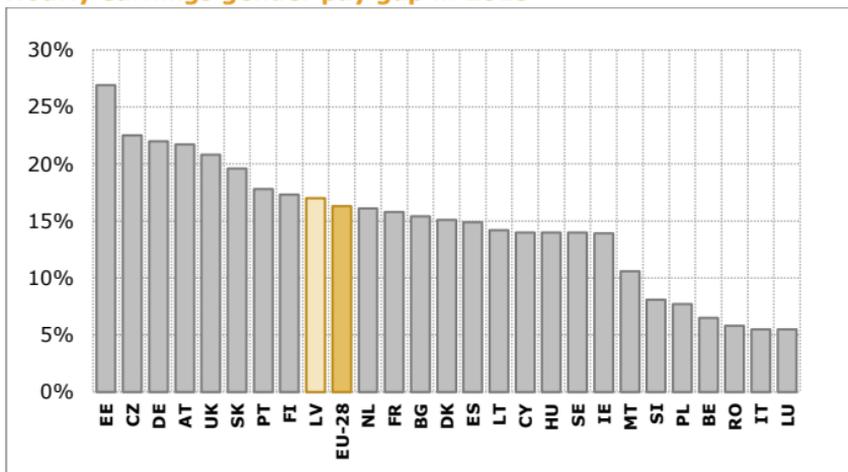
Data source: Eurostat [earn_nt_taxrate] 06.12.2016

Minimum monthly wage at the beginning of 2017



Data source: Eurostat [earn_mw_cur] 27.02.2017

Hourly earnings gender pay gap in 2015



Data source: Eurostat [earn_gr_gpgr2] 01.03.2017

⁽¹⁾ Single persons without children, 100 % of average wage/ salary.

7. Household Income, Income Inequality, Monetary Poverty

In 2015, household disposable income at current prices increased by 7.6 % and reached 417 euros per household member monthly, compared to 387 euros in 2014. In comparison with the increase rate recorded in previous years (9.3 % in 2014 and 10.7 % in 2013), that observed in 2015 has slowed down slightly.

In 2015, household income from wages and salaries have risen by 8 % – in 2014 the indicator comprised on average 272 euros per household member monthly, while in 2015 those were 293 euros.

Households are becoming less dependent upon social transfers ⁽¹⁾. Over the five recent years, the share of social transfers in household disposable income has declined by 8.1 percentage points – from 32.4 % in 2010 to 24.3 % in 2015. The share of income from wages and salaries, in its turn, has risen from 63.7 % in 2010 to 70.4 % in 2015.

Income inequality in Latvia comparatively high

Indicator characterising income inequality – Gini coefficient – in Latvia is estimated since 2004. Gini coefficient is 0, if whole population has the same income, but the closer it gets to 100, the greater the income inequality. The latest data available show that Latvia has the sixth highest Gini coefficient in the EU. In 2015, Latvian Gini coefficient constituted 34.5 %, which is 0.9 percentage points less than in 2014. Higher indicator was recorded only in Lithuania (37.9 %), Rumania (37.4 %), Bulgaria (37 %), Estonia (34.8 %) and Spain (34.6 %), whereas EU average indicator amounted to 31 %.

The quintile share ratio (S80/S20) showing difference between the income received by the poorest and the richest population has reduced and constituted 6.2 (6.5 in 2014). It means that one fifth of population receiving the lowest income earns 6.2 times less than one fifth of the population receiving the highest income. This Latvian indicator was among the EU highest as well (8.3 in Romania, 7.5 in Lithuania, 7.1 in Bulgaria, 6.9 in Spain, 6.5 in Greece, 6.2 in Estonia and 5.2 on average in the EU).

Almost every fifth Latvia inhabitant at risk of poverty

In 2015, 21.8 % of Latvia population were at risk of poverty. Compared to 2014, the share of persons at risk of poverty has diminished by 0.7 percentage points. The drop was positively affected by the increase in minimum wage (up to 360 euros monthly or of 12.5 %), employment, including employment among youth, population at pre-retirement and retirement age, as well as benefits related to family and children (of approximately one third), whereas negatively influenced by comparatively slow increase of old-age pension (on average by 2.7 % in 2015).

In 2015, the proportion of population aged over 65 at risk of poverty grew by 3.5 percentage points (from 34.6 % in 2014 to 38.1 % in 2015). If person aged 65 or over lives alone, the risk of poverty thereof grows even more – from 67.4 % in 2014 to 74 % in 2015.

Households of single parents having dependent children still face very high risk of poverty, the risk of poverty thereof reached 34.4 % in 2015. In households consisting of two adults with three or more children, the risk of poverty has went down notably (by 9 percentage points) – from 34.5 % in 2014 to 25.5 % in 2015.

Household income in statistical regions; 2015

(household monthly disposable income)

	<i>on average per household</i>	<i>on average per equivalent consumer</i>	<i>on average per household member</i>
Latvia, euros	997	627	417
Riga	1 156	756	509
Pierīga	1 157	687	446
Vidzeme	831	511	343
Kurzeme	955	587	389
Zemgale	907	566	368
Latgale	655	421	284

⁽¹⁾ Social 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.

Composition of household disposable income in 2015

(on average per household member monthly)

	Total, euros	of which by type of income, %:				
		wages and salaries	income from self- employment	income from property	received transfers (¹)	expenses decreasing total disposable income
Latvia	417	70.4	3.7	1.1	25.6	-0.9
Rīga	509	72.4	3.9	2.0	23.0	-1.2
Pierīga	446	73.9	3.4	0.7	22.7	-0.9
Vidzeme	343	65.0	5.3	0.5	30.0	-0.8
Kurzeme	389	71.1	2.9	0.1	26.3	-0.4
Zemgale	368	70.7	3.0	0.9	26.3	-0.8
Latgale	284	58.8	4.4	0.1	37.5	-0.9

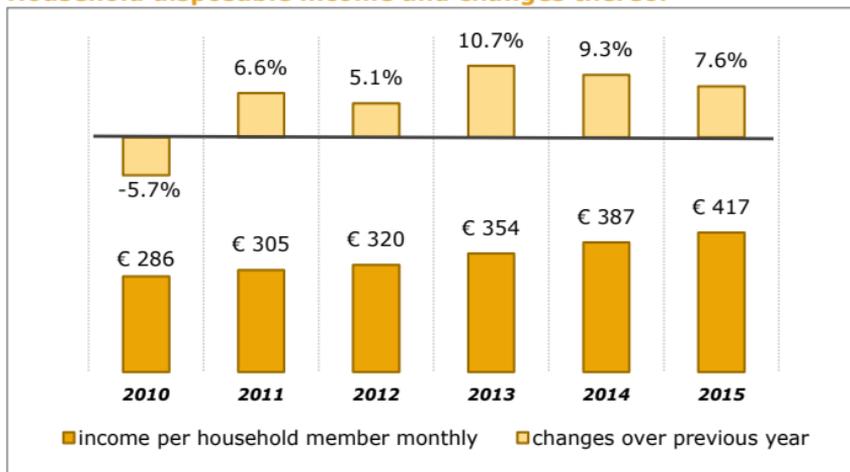
At-risk-of-poverty threshold (illustrative values)

	2014	2015
Single person households, euros annually	3 497	3 819
Two adults with two children, euros annually	7 344	8 019

Monetary poverty and income inequality indicators

	2014	2015
At-risk-of-poverty rate, % (²)	22.5	21.8
Relative median at-risk-of-poverty gap, % (³)	25.5	24.0
Gini coefficient, % (⁴)	35.4	34.5
Income quintile share ratio (S80/S20) (⁵)	6.5	6.2
Share of population at risk of poverty or social exclusion, %	30.9	28.5
Women at risk of poverty, %	24.8	23.9
Men at risk of poverty, %	19.7	19.4

Household disposable income and changes thereof



(¹) 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.

(²) At-risk-of-poverty rate – share of persons with equalised disposable income below 60 % of the national median equalised disposable income.

(³) Percentage difference between the at-risk-of-poverty threshold and median equalised disposable income of persons below the same threshold.

(⁴) Gini coefficient characterises inequality of income. 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 is inequality of income.

(⁵) Ratio (in percent) of total equalised disposable income received by the 20 % of the country's population with the highest equalised disposable income (top quintile) to that received by the 20 % of the country's population with the lowest equalised disposable income (lowest quintile).

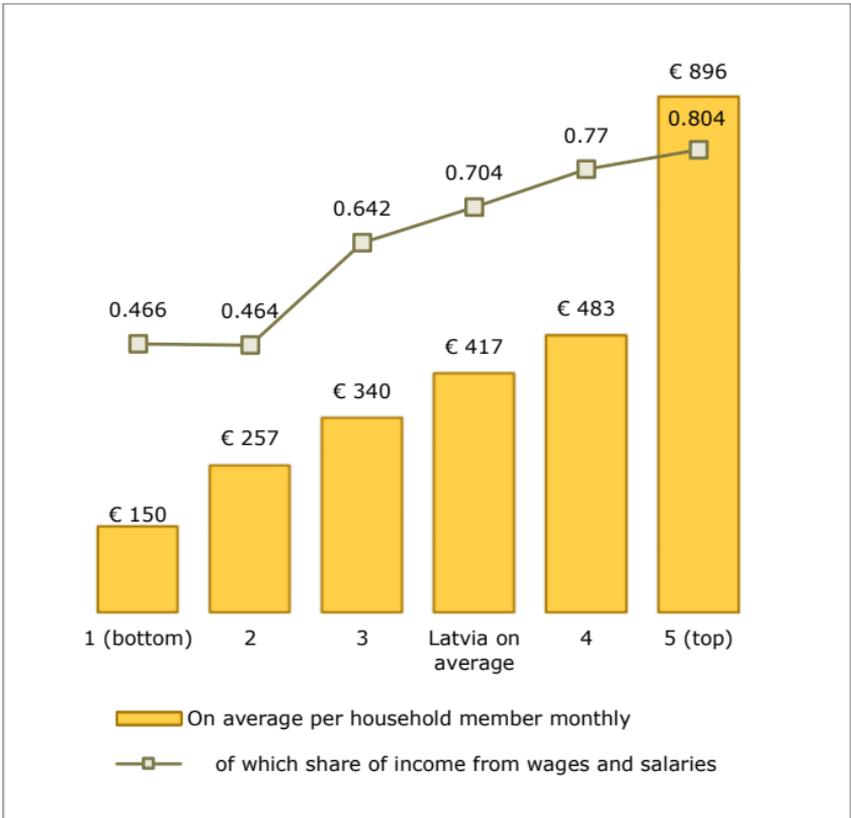
Household disposable income in 2015

(on average per household member monthly)



Household disposable income by quintile group; 2015

(on average per household member monthly)



8. Consumption Expenditure

In 2015, household consumption expenditure grew by 5.4 %

In 2015, household consumption expenditure amounted to 316 euros on average per household member monthly, which is 16 euros or 5.4 % more than in 2014. Considering 0.2 % increase at constant prices, consumption expenditure at constant prices grew by 5.2 %.

Structure of consumption expenditure is one of the indicators characterising population welfare. Compared to previous years, also in 2015 consumption expenditure priorities almost have not changed: the largest share of income is spent on daily needs – food (26.5 %), housing and public utilities (15.6 %), and transport (13.1 %).

Sharpest consumption expenditure increase observed in urban areas – 6.1 %

In 2015, out of all households, those located in Riga had highest consumption expenditure – on average 388 euros per household member monthly, which is 2.9 % or 11 euros more than in 2014. Last year, consumption expenditure in urban households grew by 6.1 % or 20 euros, reaching on average 343 euros per household member monthly, while in rural households consumption expenditure increased by 3.6 % or 9 euros reaching on average 259 euros per household member monthly.

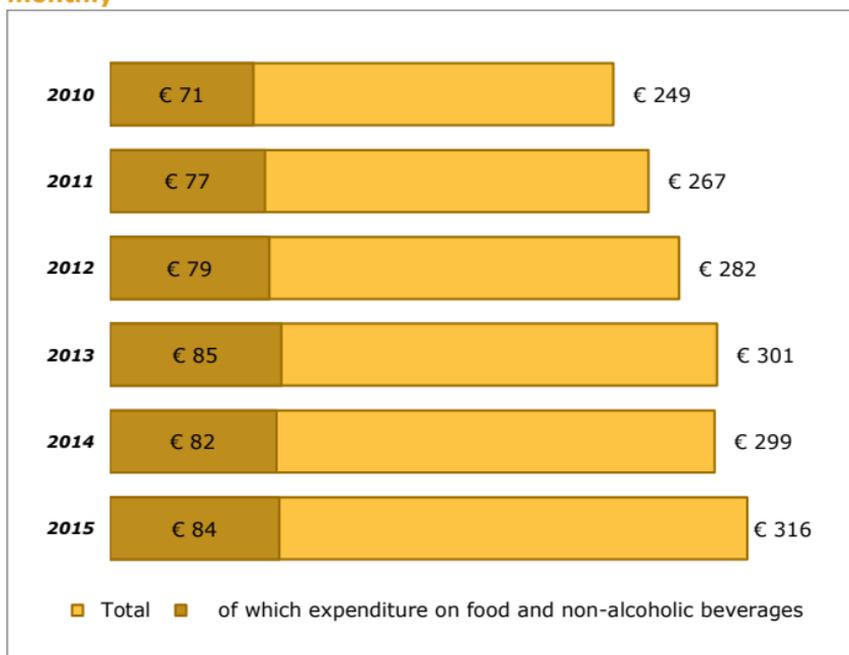
The highest consumption expenditure recorded in households of self-employed/entrepreneurs

The highest consumption expenditure was registered in households of self-employed persons and entrepreneurs (380 euros) and households of wage and salary earners (328 euros), while that in households of retired people was lower (255 euros per household member monthly).

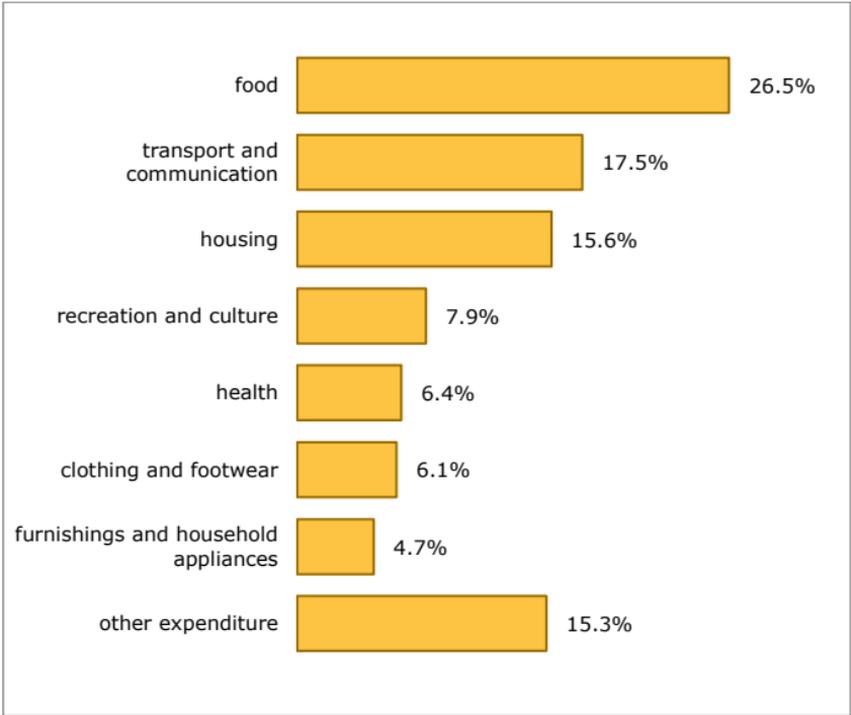
Tough situation faced in households with three or more children

Results of the Household Budget Survey show that the more children in household, the smaller sum may be spent per household member. Consumption expenditure in households with three or more children comprised on average 192 euros per household member monthly, constituting just 61 % of the national average consumption expenditure level. Households with one child spent on average 294 euros per household member monthly, whereas those with two children – 280 euros. The highest consumption expenditure was registered in households without minor children – on average 346 euros per household member monthly in 2015.

Consumption expenditure on average per household member monthly

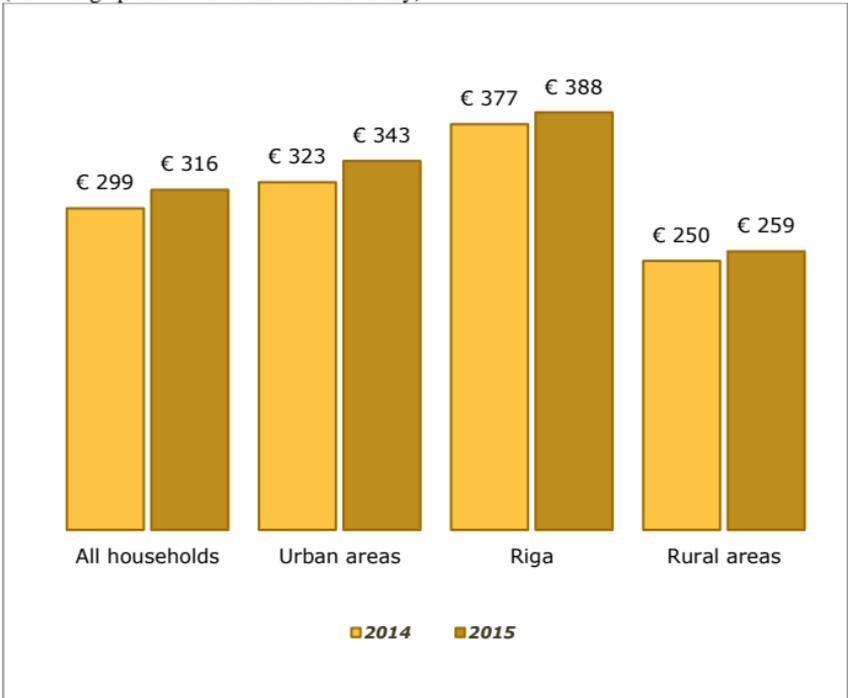


Consumption expenditure structure in 2015



Household consumption expenditure in urban and rural areas; 2014 and 2015

(on average per household member monthly)



Consumption expenditure by socio-economic group; 2014 and 2015

(on average per household member monthly)



Consumption expenditure depending on number of children in household; 2015

(on average per household member monthly)



Consumption of selected food products

(on average per household member annually)

	2005	2010	2014	2015
Wheat bread (kg)	23.7	17.2	15.9	15.7
Rye bread (kg)	25.2	18.3	15.3	15.3
Pork (kg)	21.4	21.0	18.4	18.3
Poultry (kg)	9.5	10.7	12.3	11.4
Sausages, smoked meat (kg)	25.3	21.8	21.0	20.0
Milk (l)	58.6	50.0	43.1	43.6
Yoghurt (kg)	5.7	6.7	7.0	7.2
Eggs (pcs)	204	196	197	196
Potatoes (kg)	102.7	89.7	67.9	64.5

9. Health Care

Number of medical practitioners keeps declining

In 2015, 7 626 medical practitioners had medical practice as the main job thereof – 101 persons less than in 2014. The total number of physicians in main job has been declining gradually since 2010, while the number of specialists with higher professional education has grown notably – from 519 specialists in 2010 to 980 in 2015. The most notable drop in the number of physicians in main job was observed among paediatricians, otorhinolaryngologists, oncologists and gynaecologists/ obstetricians. In-service training in health care institutions was undertaken by 649 residents and physicians in service; over the year, the number thereof has gone up by 43.6 %.

Self-perceived general health

In 2015, 41.2 % of Latvia population aged over 16 had suffered from longstanding (lasting for more than six months) illness or health problem. Some differences may be observed in gender breakdown – 45.5 % of females had longstanding illness, while the proportion of males indicating that have suffered from such health problems was smaller – 35.7 %.

Incidence of serious illnesses/ diseases increases

The number of new HIV cases is growing. In 2010, the number of new HIV cases accounted for 274, while in 2015 already for 393 – an increase of 13.3 %, compared to 2014.

In 2015, 11 152 patients were first diagnosed with malignant neoplasms. At the end of the year, 74.5 thousand persons were registered under oncological care system.

In 2015, the number of new cases of adult disability registered in Latvia accounted for 16 545, of which 5 670 were employed persons. Diseases of musculoskeletal system and connective tissue (24.3 %), malignant neoplasms (23.5 %), and diseases of the circulatory system (16.1 %) were the most common causes of disability among employed persons. Whereas each fourth (26.8 %) unemployed person with new case of disability suffered from a disease of the circulatory system.

In 2015, the number of new and repeated cases of children disability comprised 2 853 (814 cases per 100 000 children aged under 17).

Data of the Disability Information System show that, 174 605 persons with disability were registered in Latvia in 2015. Out of the total number, 2 276 persons had hearing disability, 8 822 vision disability, 27 088 musculoskeletal disability, and 24 237 persons suffered from psychical and behavioural disorder.

Health care – fifth household expenditure priority

In 2015, the share of expenditure on health care constituted 6.4 % of the total household consumption expenditure. Health takes the fifth largest part in the structure of household consumption expenditure, since for this purpose households on average spend 20 euros per household member monthly. Out of the total expenditure on health, 62.3 % were spent to purchase pharmaceutical products and medical appliances.

Healthy life expectancy

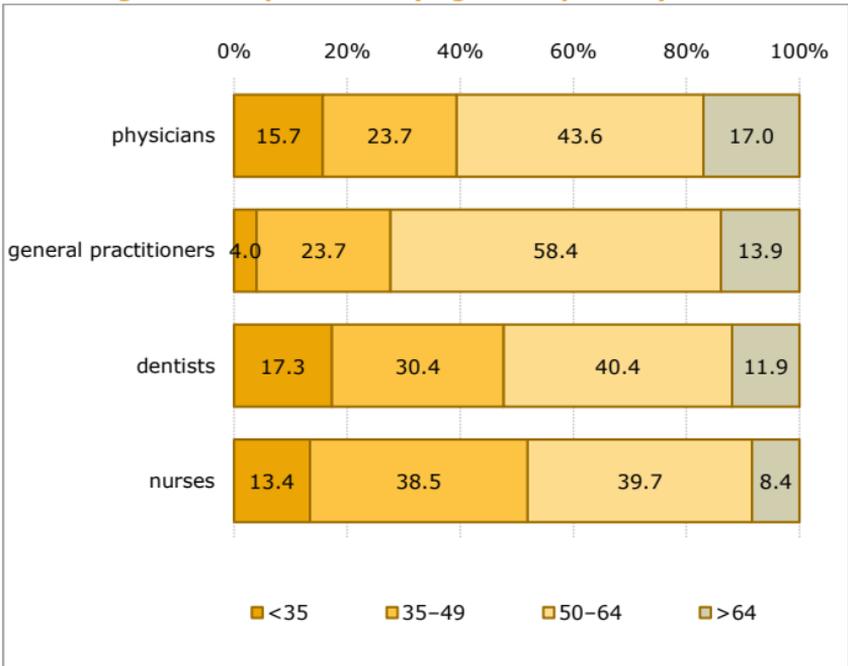
Healthy life expectancy indicators are acquired from information on chronic diseases and self-assessed state of health. In 2014, healthy life expectancy in Latvia constituted 51.5 years among males and 55.3 years among females. Healthy life years comprise 74.5 % of male life expectancy and 69.6 % of female life expectancy, indicating that males tend to live greatest part of their lives without serious health problems. In 2014, the difference between male and female healthy life expectancy constituted 3.8 years, which is smaller indicator than that between the average life expectancy of men and women at birth (10.3 years).

Key health care indicators

(at the end of the year)

	2010	2014	2015
Physicians of all specialities (in main job)	7 951	7 727	7 626
Residents and physicians in service training	463	589	649
Specialists with higher medical professional education	519	889	980
Nurses with higher education	1 090	2 028	1 987
Health care professionals with secondary medical education	13 217	11 678	11 625
Hospitals	67	64	67
Hospital beds (on average annually)	11 920	11 279	11 261

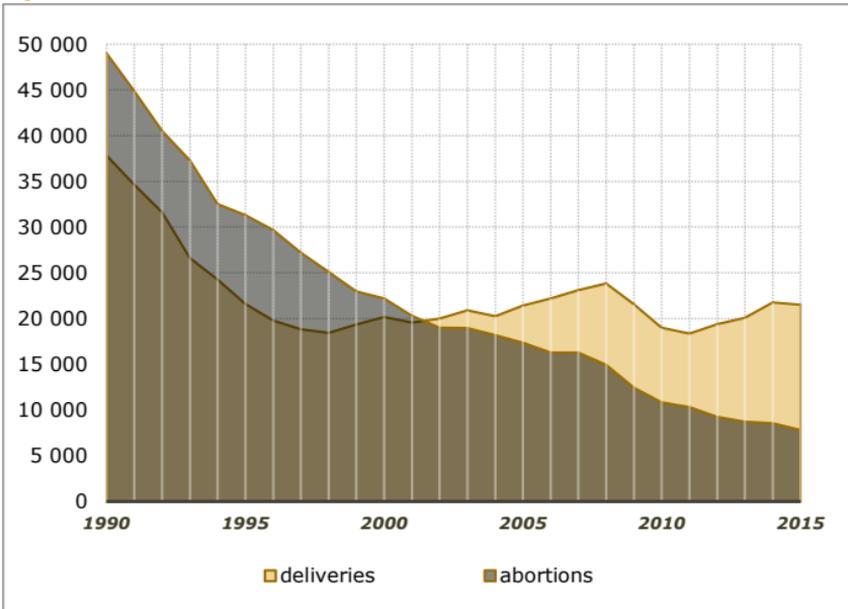
Practising medical specialists by age and speciality



Practising physicians by statistical region (1)

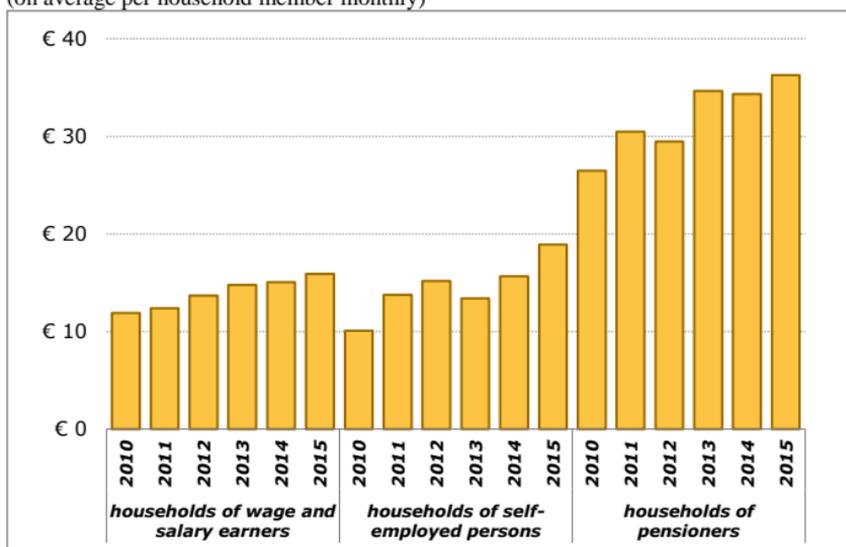
	2013		2014	
	total	per 10 000 inhabitants	total	per 10 000 inhabitants
Latvia	6 624	33.1	6 564	33.1
Rīga	4 011	62.3	4 012	62.3
Pierīga	586	15.9	585	15.9
Vidzeme	446	21.2	426	21.2
Kurzeme	530	19.9	510	19.9
Zemgale	446	18.3	441	18.3
Latgale	605	21.4	590	21.4

Dynamics of deliveries and abortions

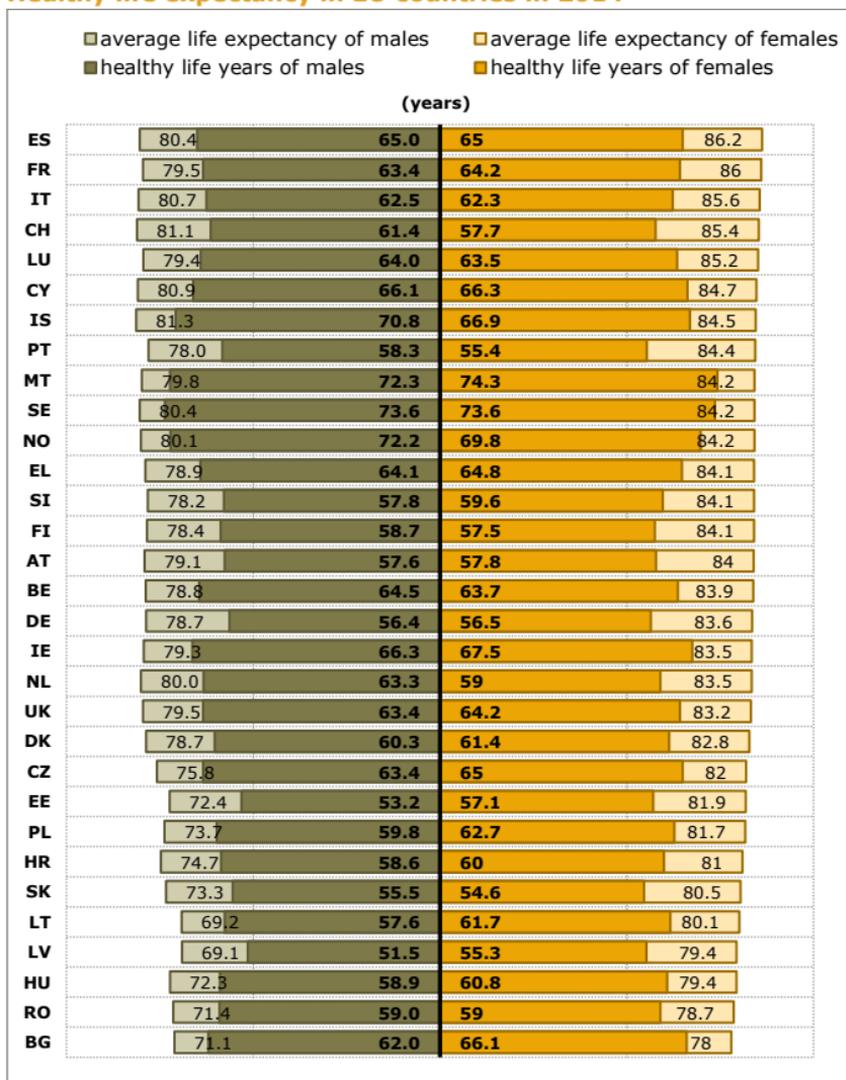


Household consumption expenditure on health

(on average per household member monthly)



Healthy life expectancy in EU countries in 2014



Data source: Eurostat [hlth_hlye] 22.04.2016.

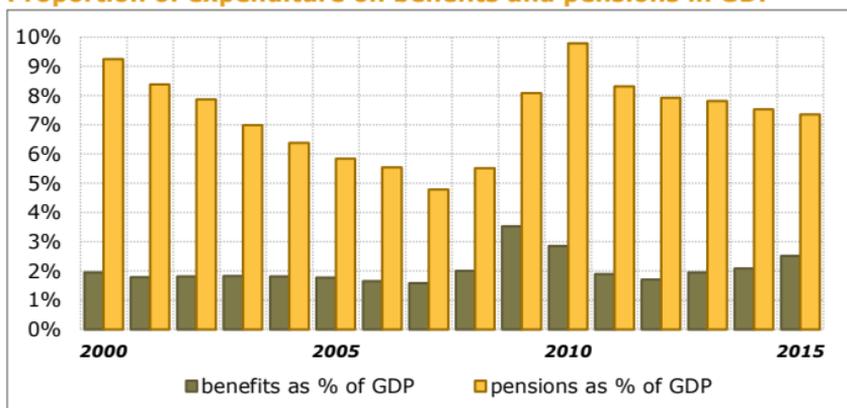
10. Social Security

Expenditure on pensions and benefits growing gradually

Data of the State Social Insurance Agency show that, in 2015 the total expenditure on state pensions and social benefits comprised 2 billion 405 million euros, which is 136.6 million euros more than in 2014. State pensions comprised the largest share of the expenditure (74.5 %), and total expenditure on state pensions constituted 1 billion 792 million euros in 2015 (14.6 million euros more than in 2014). In 2015, expenditure on pensions constituted 7.4 % of GDP, which is 0.1 percentage points less than in 2014 (7.5 % of GDP). Expenditure on state social benefits, in this turn, amounted to 613 million euros in 2015, exceeding the expenditure of 2014 by 24.8 % or 122 million euros. In 2015, the expenditure on state benefits amounted to 2.5 % of GDP – 0.4 percentage points more than in 2014 (2.1 % of GDP).

In line with the European System of Integrated Social Protection Statistics (ESSPROS) data, in 2015 expenditure on population at retirement age constituted 48.2 % of the total social protection expenditure. Second largest share consisted of healthcare expenditure (24.2 %), followed by expenditure on family and children (10.5 %) and disability (9.2 %).

Proportion of expenditure on benefits and pensions in GDP

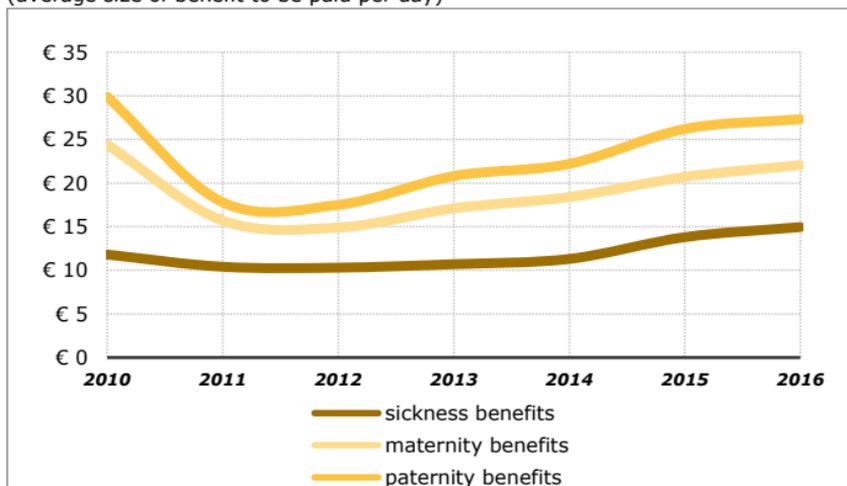


State social benefits

Last year, the average size of sickness, maternity and paternity benefits paid per day increased. In 2016, the size of sickness benefit reached the highest amount recorded ever – 14.95 euros per day. Latvian paternity benefit since the introduction thereof (except for 2008) has been greater than maternity benefit. Last year, paternity benefit on average constituted 27.33 euros per day, and it has grown by 4.3 %, as compared to 2015. The maternity benefit to be paid in 2016 on average comprised 22.06 euros per day – increase of 6.5 % over the year. Nevertheless size of both maternity and paternity benefits is growing gradually, it still lags behind that registered in 2010.

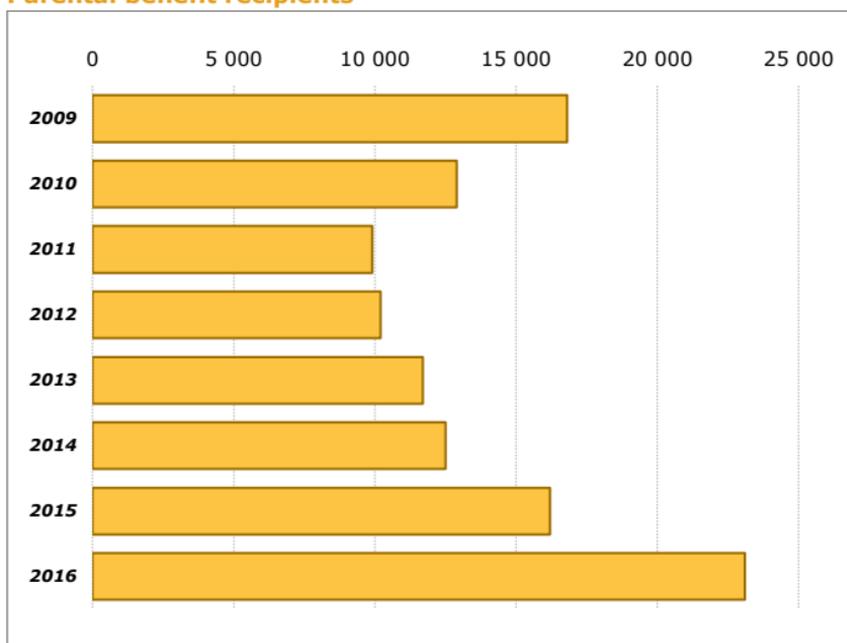
Sickness, maternity and paternity benefits

(average size of benefit to be paid per day)



After amendments to the requirements for granting parental benefit ⁽¹⁾ as of 2016, the number of parental benefit recipients grew sharply. In 2016, parental benefit was received by 23.1 thousand persons, which is 42.6 % more than in 2015.

Parental benefit recipients



State pensions

At the end of 2016, 564.8 thousand people in Latvia received state pension. Compared to 2015, the number of pension recipients decreased by 0.9 % in 2016, while the size of monthly pension increased by 2.0 %, reaching on average 260.97 euros. The largest share of pensions paid consisted of old-age pensions – 81.6 % or 460.7 thousand, while disability pensions consisted 13.2 %, survivor's pensions 3.4 %, and service pensions 1.9 %. In 2016, the monthly old-age pensions paid on average were by 6.19 euros higher than those paid in 2015 and reached on average 279.59 euros.

Pensions: number of recipients and size

	2005	⁽²⁾ 2010	2015	2016
Pension recipients, thsd	588.7	574.5	570.1	564.8
Old-age pensions	475.6	475.9	466.7	460.7
Disability pensions	73.6	69.3	73.3	74.5
Survivor's pensions ⁽³⁾	32.9	26.9	19.8	19.0
Service pensions ⁽⁴⁾	4.4	2.4	10.3	10.6
Average size of pensions paid, euros per month	110.91	236.17	255.86	260.97
Old-age pensions	114.58	250.25	273.40	279.59
Disability pensions	95.18	173.49	164.42	163.47
Survivor's pensions ⁽³⁾	81.67	135.67	133.26	135.39
Service pensions ⁽⁴⁾	123.72	229.69	314.41	328.71

⁽¹⁾ As of 1 October 2014, person (parent) is eligible for parental benefit also when working or receiving income from self-employment (is not on child-care leave).

⁽²⁾ In 2010, average size of the monthly old-age pension 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" of 16 June 2009, which was paid out to the old-age pension recipients in 2010.

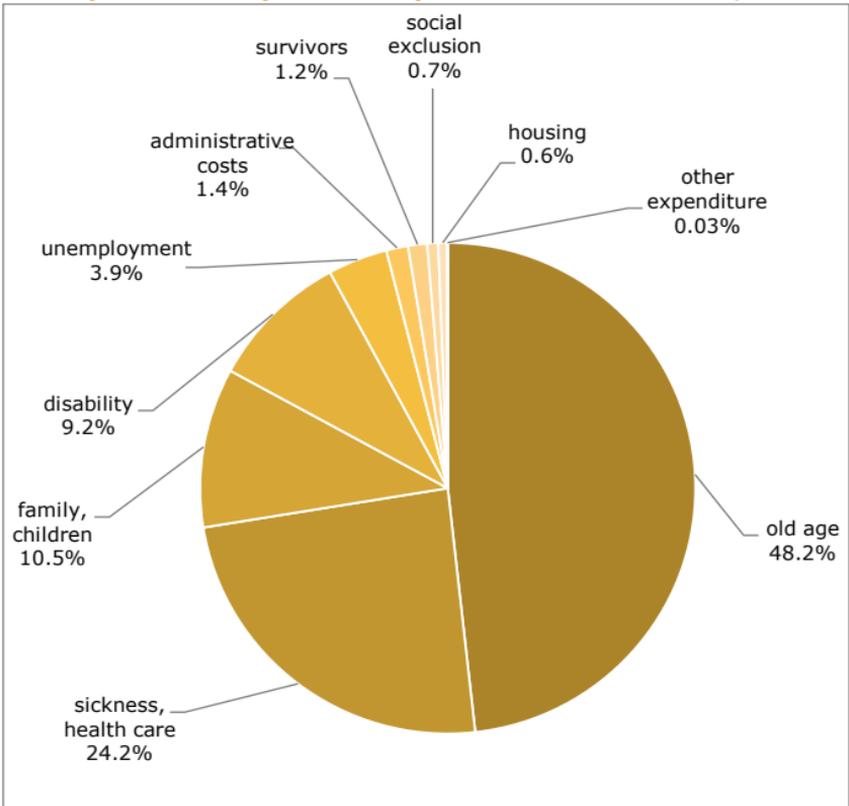
⁽³⁾ Total number of family members, who are not able to work and have lost their breadwinner.

⁽⁴⁾ Starting from 2011, the number of service pension recipients includes service pensions paid by the State Social Insurance Agency from the central government budget to the employees of the Ministry of Interior, diplomats, prosecutors, etc.

Social care indicators

	2005	2010	2014	2015
Persons receiving home care	9 546	8 345	11 659	13 856
Persons in long-term social institutions	12 488	12 509	12 926	12 984
Children under guardianship	8 683	5 565	4 831	4 620
Children adopted from out-of-family-care institutions (foster families, guardianship, social care institutions)	199	235	300	267
children adopted in Latvia	88	99	122	132
children adopted to foreign countries	111	136	178	135

Social protection expenditure by ESSPROS classification; 2015



11. Education

Decline in children population recorded

Due to the demographic situation, the number of children has been declining since 2005, and in 2016 it reduced by 20.8 %. In 2016, 18.7 % of the total EU population or almost each fifth person was child aged under 17. Children population in Latvia constitutes 17.9 %, which is one of the smallest indicators in the EU. Smaller children number was registered in Germany (16.2 %), Italy (16.5 %), Bulgaria (16.6 %), while the largest children population was observed in Ireland (25.7 %); Estonian and Lithuanian indicators constitute 18.8 % and 17.9 %, respectively.

Pre-school education

In 2015, 92.1 thousand children at pre-school age attended pre-school education institutions. The majority of children attended local government pre-school education institutions, while 7.9 thousand or 8.6 % – private kindergartens. The number of private pre-school education institutions has risen sharply during the recent years – in 2010 there were 62 private pre-school education institutions, while in 2015 already 122 (in Riga 31 and 83, respectively). Compared to 2014, in 2015 the number of children in pre-school education institutions dropped by 0.1 %, while, compared to 2010, it increased by 4.4 %.

Out of 647 pre-school education institutions, Latvian as a language of instruction was used in 458, Russian in 75, and both in 111. Out of the total children number in pre-school education institutions, 77.2 % were studying in Latvian and 22.2 % in Russian, moreover, the share of children studying in Latvian has been growing and that of children studying in Russian has been declining since 2010.

In 2015, 7.3 % of children aged 3–6 did not attend pre-school education institution, whereas 2010 those were 12.7 % of children at this age.

General education

Data of the Ministry of Education and Science show that, 176.1 thousand students were acquiring basic education in the school year 2015/2016, 48.7 % of them were girls. Enrolment in basic education has grown by 2.2 % over the year. Nevertheless the total general education enrolment increased slightly, in grades 10–12 it is reducing every year. As compared to the school year 2010/2011, in the school year 2015/2016 the secondary education enrolment dropped by almost one third, and, as compared to the school year before, the indicator fell by 0.5 %.

In the school year 2015/2016, 98.6 % of students in general full-time schools were acquiring foreign languages. In the school year before, foreign languages were learned by 92.4 % of students.

Due to the demographic situation and school reforms, the number of general schools kept decreasing. In school year 2015/2016, as compared to the previous school year, the total number of full-time schools reduced by 13 schools (of secondary schools – by 4). Since the school year 2010/2011, the number of full-time schools has dropped by 47 schools, of which by 17 secondary schools.

Out of the total number of children aged 7–15, 98.3 % were attending various educational institutions.

Higher and vocational education

Compared to the school year before, in the school year 2016/2017 enrolment in vocational schools increased by 3.6 %. The total vocational school enrolment accounts for 30.0 thousand, 42.6 % of which is constituted by life science and engineering students.

In 2016, 7.8 thousand students were acquiring secondary vocational education – a decrease of 4.8 %, compared to 2015.

In the academic year 2016/2017, 29.1 thousand students entered higher education, which is 0.2 % less than a year before. Out of the total number of the 1st year entrants, 42.1 % entered social science and humanities programmes, while 27.0 % life science and engineering programmes. Studies of more than a half of entrants (58.4 %) were not subsidised. The policy to support education mobility implemented by the Ministry of Education contributed to the mobile student number rise in Latvian universities. In the academic year 2016/2017, in Latvian universities there are 6.1 thousand foreign students. The majority of foreign students come from Uzbekistan (1 025) and Germany (902).

In the academic year 2016/2017, the total number of students in higher education institutions and colleges accounts for 82.9 thousand.

In 2016, higher education was acquired by 15.8 thousand students, which is 7.2 % less than in the previous academic year. The share of social science and humanities graduates comprised 48.1 %, whereas that of life sciences and engineering programmes constituted 19.8 % (19.6 % in 2015 and 14.3 % in 2010, respectively). Out of the total number of graduates in 2016, females constituted 65.6 %.

Educational institutions

(at the beginning of the school year)

	2015/2016	2016/2017
Pre-school education		
Institutions	647	...
Enrolment	92 095	...
Pedagogic staff	10 110	...
General education		
Institutions	811	790
Enrolment	213 357	214 965
Pedagogic staff	29 593	29 330
Vocational education		
Institutions	54	52
Enrolment	27 938	28 950
Pedagogic staff	2 838	2 563
Higher education		
Institutions	58	56
Enrolment	84 282	82 914
Academic staff	4 910	5 206

Enrolment by level of education (ISCED 2011)

(at the beginning of the school year)

	2014/2015	2015/2016
Enrolment	417 641	417 672
Pre-primary education (Level 0)	92 219	92 095
children aged 0–2	16 150	17 667
children aged 3–8	76 069	74 428
First stage of basic education (grades 1–6)	117 303	120 308
Second stage of basic education (grades 7–9 and vocational education)	55 331	56 128
(Upper) secondary education (grades 10–12 and secondary vocational education)	62 430	60 343
Post-secondary non-tertiary education	4 477	4 516
First stage of tertiary education (higher education)	83 681	81 972
Second stage of tertiary education (doctoral studies)	2 200	2 310

General full-time schools in statistical regions

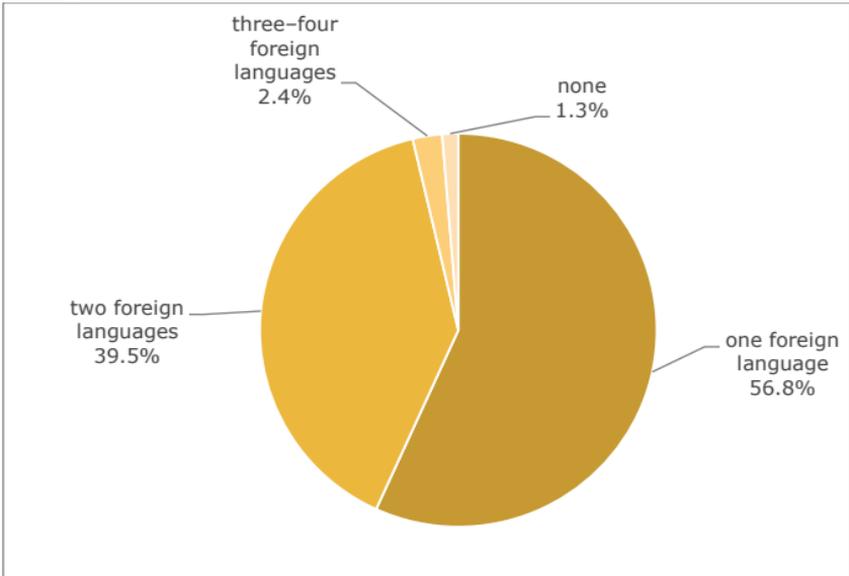
(at the beginning of the school year)

	2016/2017		
	<i>schools</i>	<i>enrolment</i>	<i>pedagogic staff</i>
Latvia	763	204265	28 520
Riga	141	68 006	7 861
Pierīga	122	36 812	4 884
Vidzeme	132	20 355	3 858
Kurzeme	120	26 671	3 950
Zemgale	107	25 058	3 732
Latgale	141	27 363	4 235

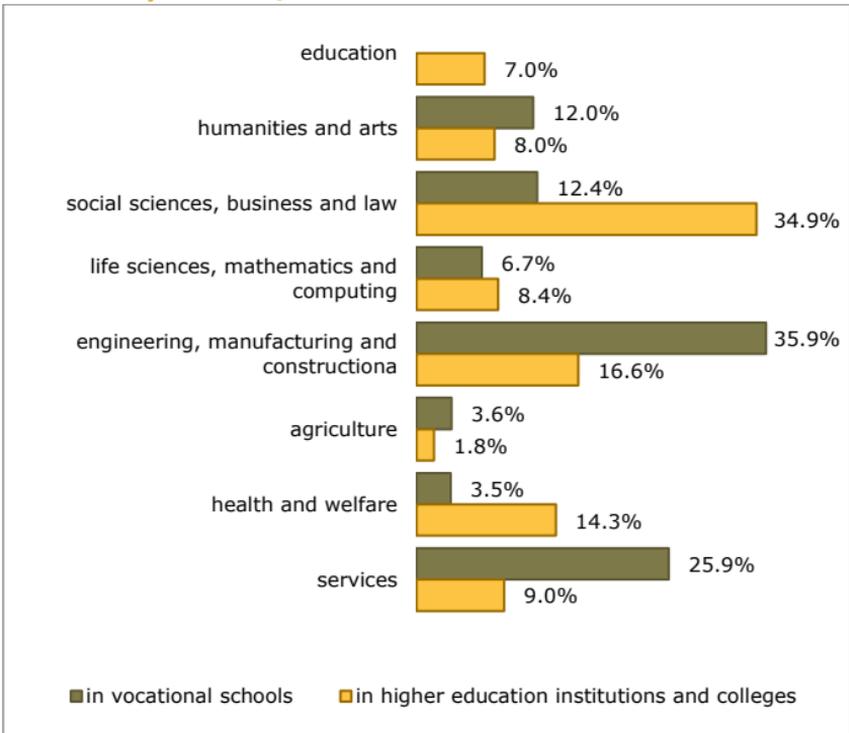
Expenditure on education

	2010	2012	2013	2014
Expenditure on education, mln euros	1 138.7	1 217.0	1 328.3	1 403.7
government expenditure	911.5	1 014.3	1 118.7	1 247.7
private expenditure	185.2	181.0	171.6	129.0
foreign sources of finance	42.0	21.7	38.0	27.0
Government expenditure on education as % of the GDP	5.0	4.6	4.8	5.2

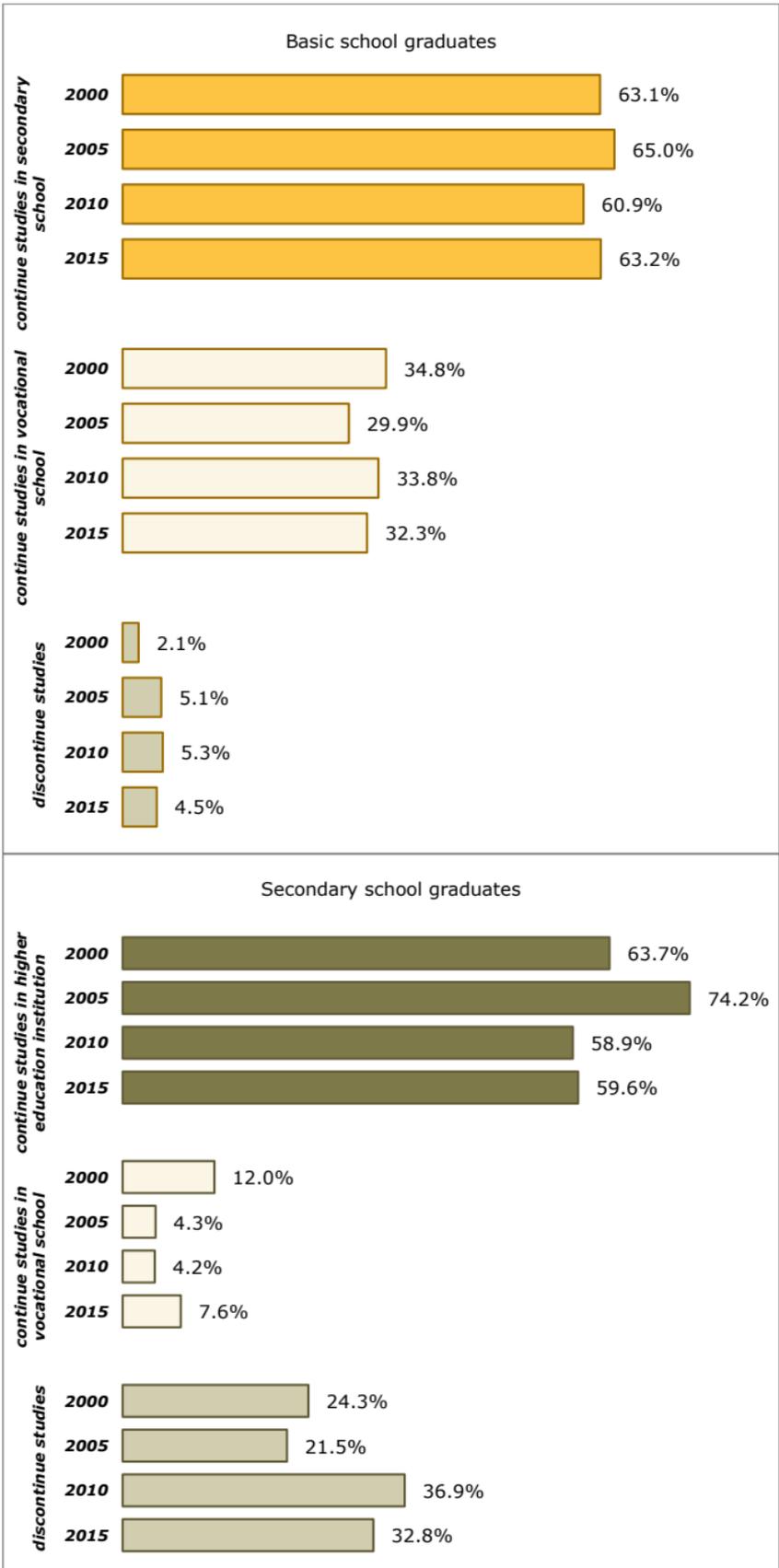
Foreign language learning in general schools; school year 2015/2016



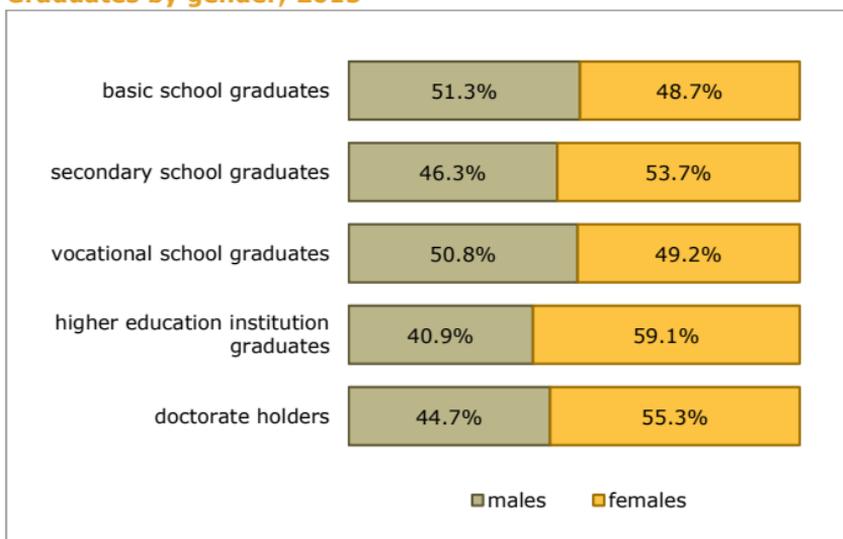
Enrolment by field of education and training; at the beginning of the school year 2016/2017



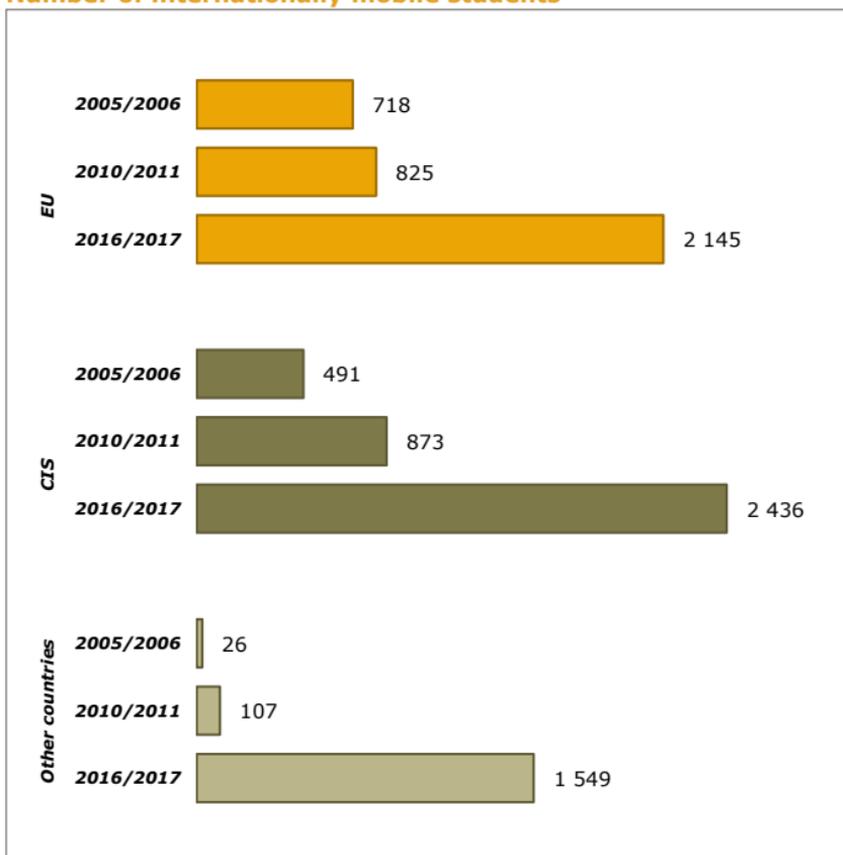
Further education



Graduates by gender; 2015



Number of internationally mobile students



12. Culture

Theatres and cinemas

Over the ten recent years, the number of state and local government theatres in Latvia has not changed. In 2015, theatres staged 3 253 performances. In 2015, theatre attendance increased by 15.6 %, compared to 2010, and by 1.1 %, compared to 2014. In 2010, 402 theatre attendances per 1 000 population were registered, while the indicators registered in 2014 and 2015 have went up to 484 and 493, respectively.

Film industry is characterised by the rise in cinema attendance. In 2015, 2 357.7 thousand cinema admissions were registered in Latvia, which is 2 % more than in 2014 and 11.9 % more than in 2010. Cinema admissions per 1 000 inhabitants increased as well – from 1 004 admissions in 2010 to 1 192 in 2015.

Libraries

The number of libraries keeps declining. In 2015, there were 1 705 libraries in Latvia – the number has dropped by 126, as compared to 2010. The sharpest decline (of 92 or 10 %) was recorded in the number of libraries of educational institutions. Regardless of the drop in the library number, the number of library users in Latvia is increasing. In 2015, 1 339 thousand library users were registered, which is 21.4 % more than in 2010 and 10.7 % more than in 2014. Nevertheless the number of users in libraries has grown, the number of loans keeps decreasing – in 2015 the indicator dropped by 24.9 %, compared to 2010, and by 7.9 %, compared to 2014.

Publishing

Over the recent years, publishing is characterised by small changes in the number of books, brochures and magazines published. Compared to 2014, in 2015 the number of books and brochures has grown slightly – by 0.5 %, the number of magazines and other periodicals has risen by 1.3 %, whereas the number of newspapers has reduced a little – by 0.8 %.

Publishing of books and brochures is dominated by fiction books (24.0 %), followed by reference books (20.9 %) and children's literature (19.7 %).

Compared to 2014, in 2015 the circulation of books and brochures has increased by 4.9 %, while circulation of newspapers has decreased by 0.1 %.

Compared to 2014, in 2015 the most notable rise was observed in circulation of children's and education literature (of 28.7 % and 27.1 %, respectively). The sharpest decline, in turn, was recorded in the circulation of publications on teaching methods (of 30.4 %) and circulation of fiction books (8 %).

Expenditure on recreation and culture

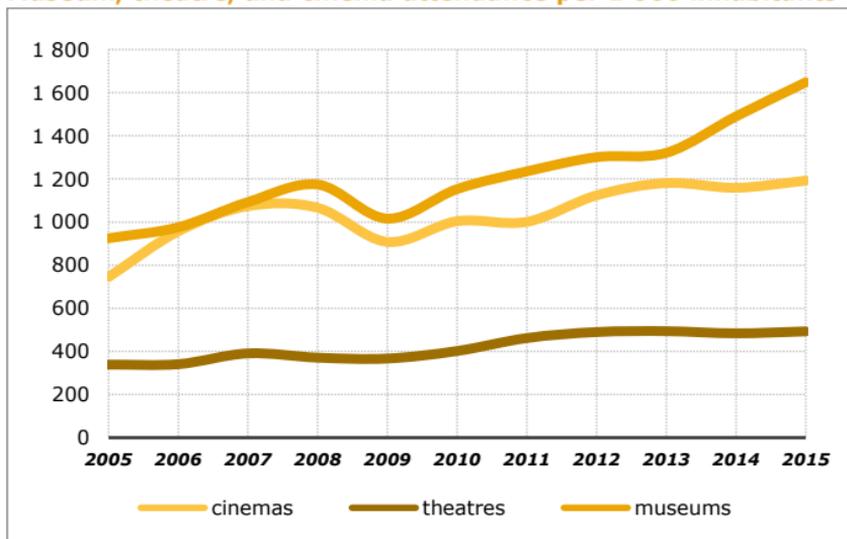
General government expenditure on recreational, cultural, and religious function constituted 396 million euros or 4.5 % of the total general government expenditure (8 790 million). In 2014, the share of expenditure on culture has risen up to 1.7 % (1.5 % in 2013).

Population expenditure on recreation and culture has not returned to the pre-crisis level yet. In 2014, this expenditure in the total expenditure structure accounted for 7.9 % of the total personal expenditure (in 2008 – 8.3 %). Inhabitants in rural areas on recreation and culture spent 17.76 euros monthly (7.1 % of the total personal expenditure), while in urban areas – 26.40 euros (8.2 %), of which Riga residents – 35.46 euros (9.4 %).

Activities of cultural institutions and publishing

	2010	2014	2015
Museums			
Number incl. branches, at the end of the year	120	112	113
Number incl. branches, structural units and divisions, at the end of the year ⁽¹⁾	...	147	149
Visitors, thsd pers.	2 419	2 971	3 260
Visitors per 1 000 inhabitants	1 153	1 490	1 648
Cinemas			
Places where movies are shown, total	26	29	22
incl. cinemas, at the end of the year	17	15	16
Seats	11 266	10 206	11 474
Admissions in cinemas and cultural centres, thsd	2 106	2 311	2 358
Admissions per 1 000 inhabitants	1 004	1 159	1 192
Theatres			
Number, at the end of the year	9	9	9
Performances	3 020	3 289	3 253
Attendance, thsd pers.	843	964	975
Attendance per 1 000 inhabitants	402	484	493
Libraries			
Number, at the end of the year	1 831	1 749	1 705
National Library of Latvia	1	1	1
Academic Library of the University of Latvia	1	1	1
Higher education institution libraries	52	50	47
Specialised libraries	38	36	32
Public libraries	829	811	806
General and vocational school libraries	910	850	818
Users, thsd pers.	1 103	1 210	1 339
Loans, mln	28.1	22.9	21.1
Publishing			
Number of books and brochures	2 035	2 177	2 187
Circulation of books and brochures, thsd copies	3 330.6	2 974.2	3 120.2

Museum, theatre, and cinema attendance per 1 000 inhabitants



⁽¹⁾ No data on 2010.

13. Crime and Justice

Recorded crime is decreasing

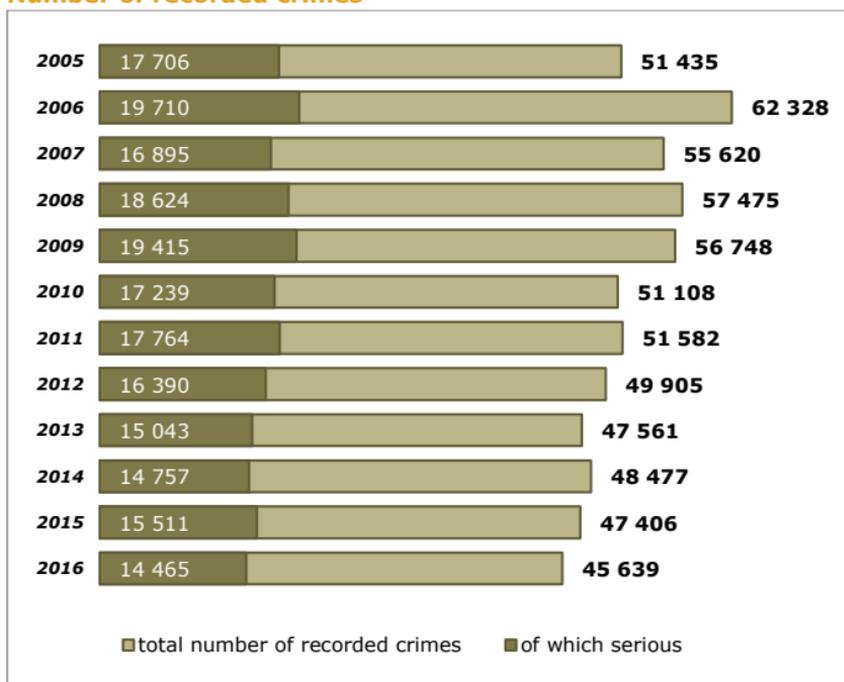
In 2016, 45 639 crimes were registered, which is 3.7 % less, compared to 2015 (47 406). The number of crimes committed by juveniles is relatively small: in 2016, the share of juvenile offenders in Latvia constituted 5.2%. The share of female offenders almost has not changed and comprises 14.5 % (14.4 % in 2015).

Theft still is the most common crime

In 2016, 21 175 thefts (including fraud and misappropriation on a small scale) were recorded, comprising 46 % of all the crimes recorded. Over the recent years, the number of thefts tends to decline, even though slightly – a drop of 2.9 %, compared to 2015, and of 17.5 %, compared to 2010.

Approximately one third of the crimes recorded were classified as serious – 31.7 % in 2016 (32.7 % in 2015). In 2016, the number of intentional homicide has went down by 17.2 % – 72 cases of homicide were recorded (87 in 2015). At the end of 2016, the prison population of Latvia comprised 4.2 thousand people, which is 3.7 % less than in 2015.

Number of recorded crimes



Recorded crimes

	2015	2016
Number of recorded crimes ⁽¹⁾	47 406	45 639
Intentional homicide	87	72
Aggravated assault	178	205
Rape	60	80
Robbery	779	684
Property theft ⁽²⁾	21 804	21 175
Hooliganism	225	307
Violation of traffic regulations resulting in serious injuries	689	774
Illicit preparation, storage, and selling of narcotics	3 529	3 200

⁽¹⁾ Including attempts.

⁽²⁾ Starting from 2011, including fraud and misappropriation on a small scale

Offenders

	2015	2016
Number of offenders ⁽¹⁾	10 060	6 562
as % of total offender number:		
Females	14.4	14.5
Juveniles	4.9	5.2

Convicted persons

	2014	2015
Number of convicted persons	9 212	9 547
Intentional homicide	75	54
Aggravated assault	155	165
Rape	32	16
Robbery	398	367
Property theft	3 753	3 573
Hooliganism	149	112
Violation of traffic regulations resulting in serious injuries	204	191
Illicit preparation, storage, and selling of narcotics	832	1 127

Prison population

	2015	2016
Prison population at the end of the year	4 409	4 243
Convicted persons	3 020	2 966
Arrested and convicted persons in remand prison	1 389	1 277

Registered fires: number of consequences

	2015	2016
Number of fires ⁽²⁾	10 311	9 288
Arson (possible cause)	1 388	1 157
Destroyed structures	644	581
Fire deaths	90	95
of which children aged under 17	1	4

Justice

	2015	2016
Specialists	2 344	2 344
Judges ⁽³⁾	435	426
Public prosecutors	457	451
Lawyers	1 347	1360
Public notaries	105	107

⁽¹⁾ Accused persons.

⁽²⁾ Excluding forest fires

⁽³⁾ Judges of courts of first instance, regional courts, and supreme court.

14. Gross Domestic Product

Economic growth continues

In 2011–2013, the economy of Latvia was among the fastest-growing economies in the European Union; in 2012, the GDP growth rate comprised 4.0 %, in 2013 – 2.6 %, and in 2014 – 2.1 %. As compared to 2014, in 2015 the growth rate of the Latvian economy reached 2.7 %. In 2016, GDP at current prices comprised 25.0 billion euros, while at constant prices of 2010 – 21.8 billion euros. The growth rate of the economy amounted to 2.0 % in comparison to the previous year.

As compared to the previous lowest point recorded in 2010, in 2016 there was a significant increase in GDP per capita – of 29.9 % (at constant prices) – due to a decline in the population of Latvia and owing to economic growth.

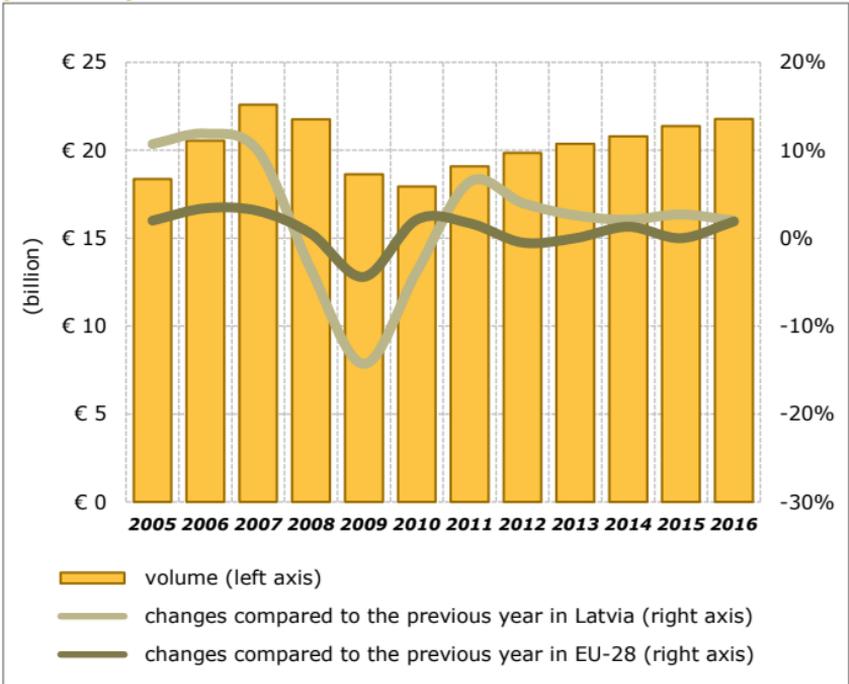
Gross Domestic Product at current and constant prices

	2014	2015	2016
Gross Domestic Product, million euros			
At current prices	23 631	24 368	25 021
At constant prices of 2010	20 799	21 364	21 781
Per capita, euros			
At current prices	11 838	12 324	12 762
At constant prices of 2010	10 438	10 805	11 109

Value added structure and changes by kind of economic activity; 2016

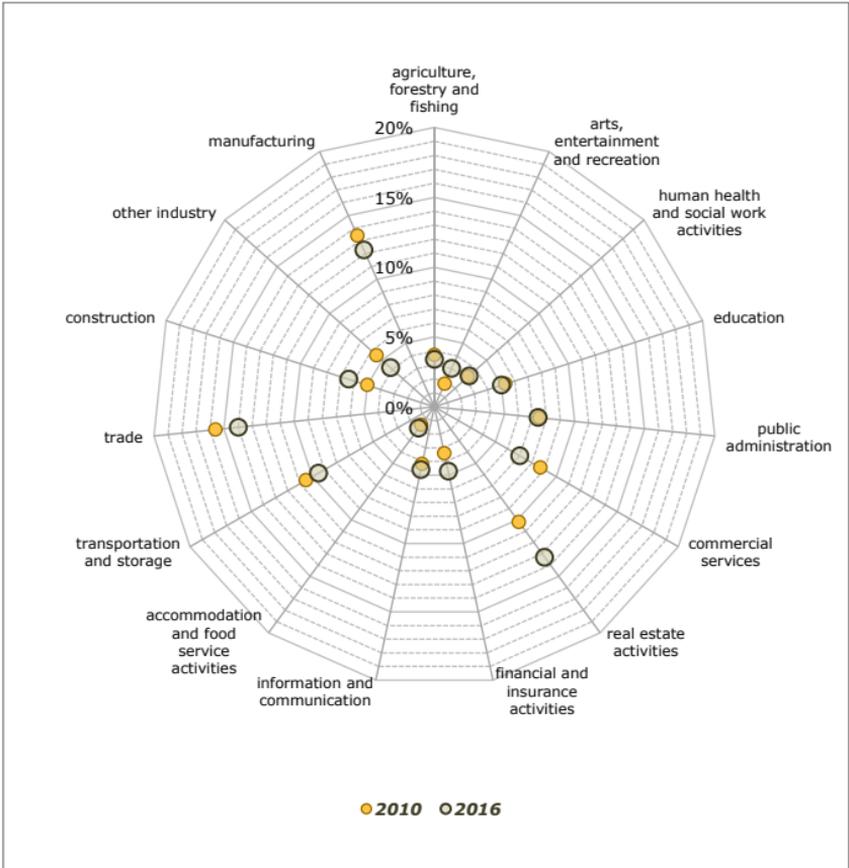
	In 2016, at current prices, %	Changes compared to 2015, at constant prices of 2010, %
(A..T) Total value added	100	1.4
(A) Agriculture, forestry and fishing	3.2	1.5
(BCDE) Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	16.7	5.5
(F) Construction	5.2	-17.9
(G,H,I) Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food services activities	25.0	2.6
(J) Information and communication	4.8	2.9
(K) Financial and insurance activities	5.7	3.5
(L) Real estate activities	13.0	-0.6
(M,N) Professional, scientific and technical activities; administrative and support service activities	7.4	2.6
(O,P,Q) Public administration and defence; compulsory and social security; education; human health and social work activities	15.9	2.5
(R,S,T) Arts, entertainment and recreation; other service activities; activities of households as employers	3.1	2.6

Gross Domestic Product and changes thereof compared to the previous year



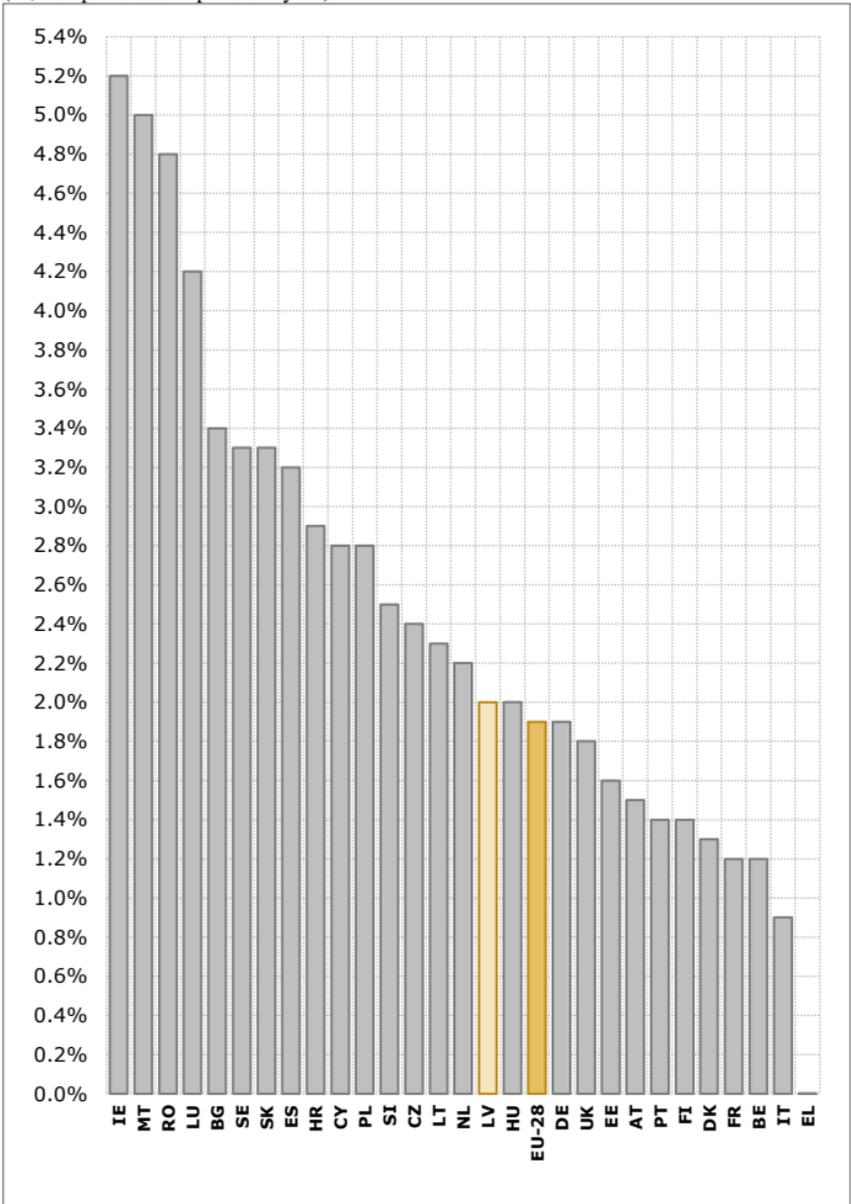
Structure of the economy in 2010 and 2016

(%, compared to the previous year)



GDP changes in EU countries in 2016

(%, compared to the previous year)



Data source: Eurostat [nama_10_gdp] 31.03.2017.

15. Price Statistics

Rise in consumer prices during the year

In December 2016, compared to December 2015, consumer prices grew by 2.2 %, with prices of goods increasing by 1.7 % and those of services – by 3.4 %. In 2016, the level of consumer prices was significantly influenced by a rise in the prices of food and non-alcoholic beverages, goods and services related to transport, communication services, and health care, as well as by a drop in the prices of goods and services related to housing. The average level of food and non-alcoholic beverage prices grew by 4.8 %. The average level of health care prices rose by 2.9 %, which was mainly due to a rise in the prices of pharmaceutical products. Prices of goods and services related to transport went up by 3.0 %, which was mainly affected by a 6.7 % increase in the prices of fuels for transport. The average level of telecommunication service prices grew by 5.5 %, mainly due to a rise in the prices of wired and wireless telephone services.

In 2016, prices of goods and services related to housing fell by 0.7 %. Heat energy and natural gas became cheaper.

In 2016, administered prices decreased by 0.4 %, while non-administered prices grew by 2.5 %.

Producer prices in industry declined during the year

In December 2016, compared to December 2015, the average level of producer prices in Latvian industry fell by 0.8 %. Prices of products sold on the domestic market dropped by 1.1 %, whereas prices of exported products decreased by 0.6 %. The average level of prices was mostly affected by a drop in the prices of electricity, gas, steam and air conditioning supply, manufacture of beverages, and manufacture of non-metallic mineral products. In turn, price growth was recorded in the manufacture of food products, waste collection, and distribution of electricity.

Price indices (2010=100)

	2011	2012	2013	2014	2015	2016
Consumer price index	104.4	106.7	106.7	107.4	107.5	107.7
Producer price index in industry	107.7	111.6	113.4	113.8	112.8	110.1
Construction cost index	102.1	109.0	111.8	112.2	112.3	111.8

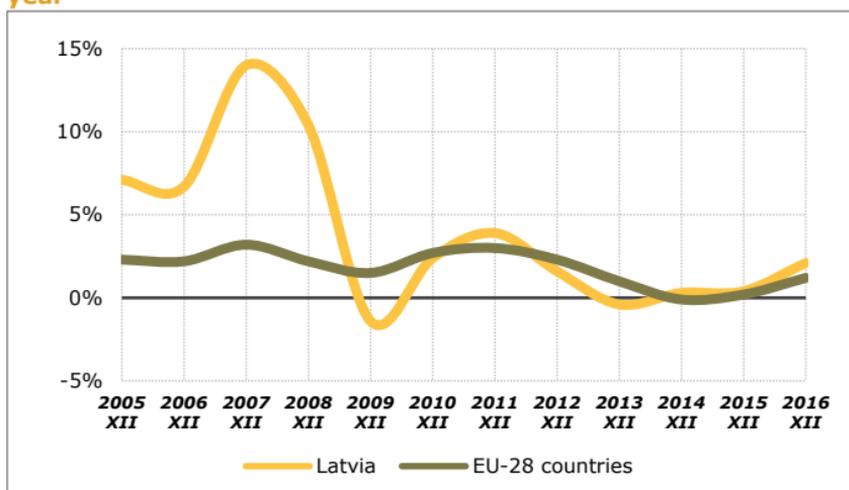
Producer prices in industry in 2016

	Weights, %	Price changes compared to the previous year, %
Industrial production – total	100	-2.4
Mining and quarrying	2.5	2.3
Manufacturing	74.9	-1.5
Electricity, gas, steam and air conditioning supply	19.4	-6.7
Water supply; sewerage, waste management and remediation activities	3.2	-0.4

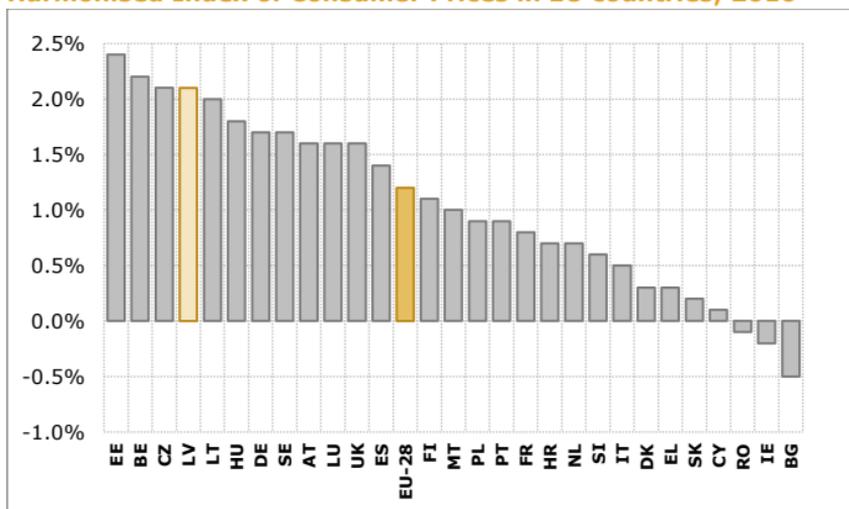
Consumer price changes during 2016

food and non-alcoholic beverages	4.8%
alcoholic beverages and tobacco	1.5%
clothing and footwear	-0.6%
housing	-0.7%
furnishings	-1.0%
health	2.9%
transport	3.0%
communication	5.3%
recreation and culture	1.8%
education	1.9%
hotels, cafés and restaurants	2.3%
other goods and services	1.7%

Changes of Harmonised Index of Consumer Prices during the year

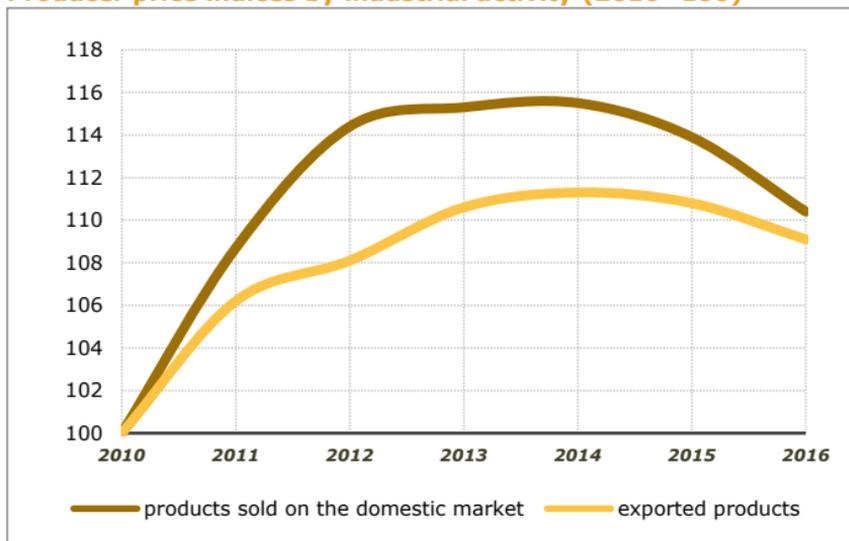


Harmonised Index of Consumer Prices in EU countries; 2016



Data source: Eurostat [pre_hicp_manr] 27.02.2017.

Producer price indices by industrial activity (2010=100)



16. Government Finances

Increase in general government budget tax revenue

Measures for combatting grey economy and improving tax administration facilitated a rise in the revenue from taxes and social contributions in the general government sector in 2016. Tax revenue is continuing to increase year after year, reaching 7 602.2 million euros or 30.4 % of the GDP in 2016, which was 462.7 million euros more than in 2015.

Structure of general government expenditure

In 2015, expenditure on social protection (pensions, benefits, and other forms of social support) accounted for almost one third (31.0 %) of the total expenditure of the general government sector – 16.2 % were allocated to education, while 14.0 % – to general public services. Expenditure on economic affairs and the health sector accounted for 11.5 % and 10.3 %, respectively. The remaining share of the expenditure (17 %) was directed towards public order and safety, recreation, culture and religion, housing and community amenities, as well as defence and environmental protection.

General government budget: revenue, expenditure, surplus, and debt

In 2016, there was a 3.4 million euro surplus in the general government sector, and, compared to 2015, the balance of the general government budget has improved by 308.8 million euros or 1.2 % of the GDP. As compared to 2015, in 2016 general government revenue increased by 377.1 million euros and amounted to 9 096.9 million euros, which was mainly facilitated by a rapid increase in tax revenue. In 2016, general government expenditure amounted to 9 035.5 million euros, which was 68.2 million euros more than in 2015.

In 2016, general government debt in absolute terms increased and reached 10 038.3 million euros or 40.1 % of the GDP. As compared to the end of the previous year, the debt has increased by 1 139.5 million euros or 12.8 %, mainly due to an increase in long-term debt securities and deposits at short notice, as well as short-term deposits.

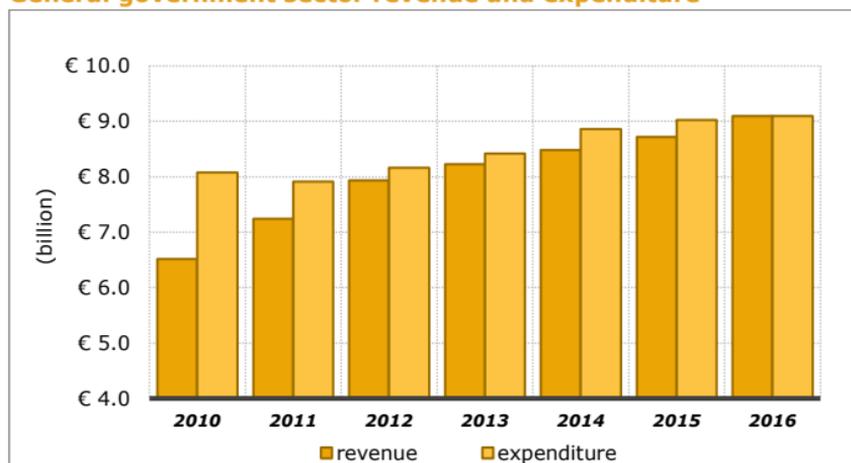
Key indicators of the general government sector

	2015	2016
Revenue, million euros	8 719.9	9 096.9
Expenditure, million euros	9 025.3	9 093.5
Deficit, surplus, million euros	-305.4	3.4
Deficit, surplus, % of the GDP	-1.3	0.0

General government debt by sub-sector ⁽¹⁾

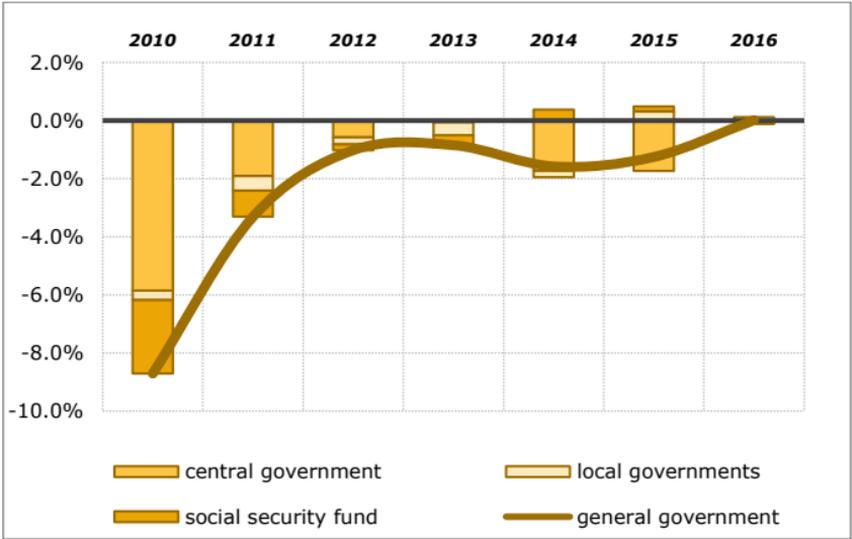
	2015	2016
General government, million euros	8 898.8	10 038.3
Central government, million euros	8 888.5	10 109.6
Local governments, million euros	1 454.3	1 437.9
Social security fund, million euros	0.0	0.0

General government sector revenue and expenditure

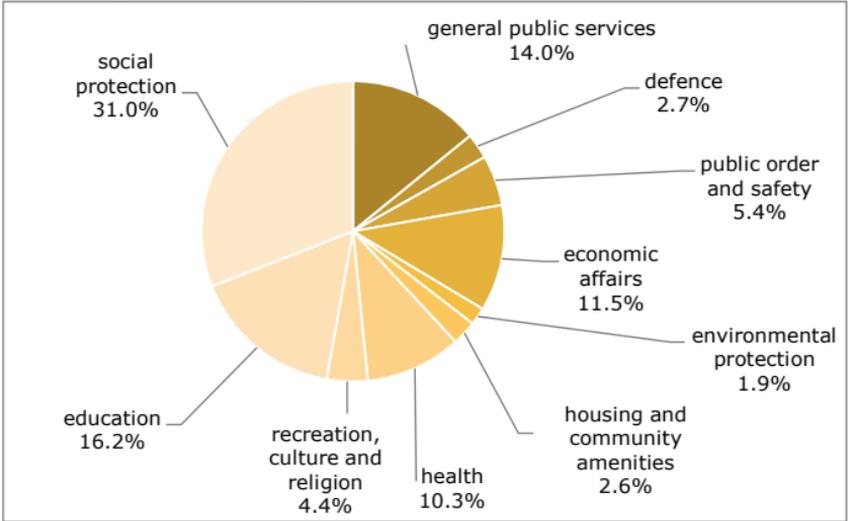


⁽¹⁾ Consolidation was carried out in each sub-sector, but not across the sub-sectors.

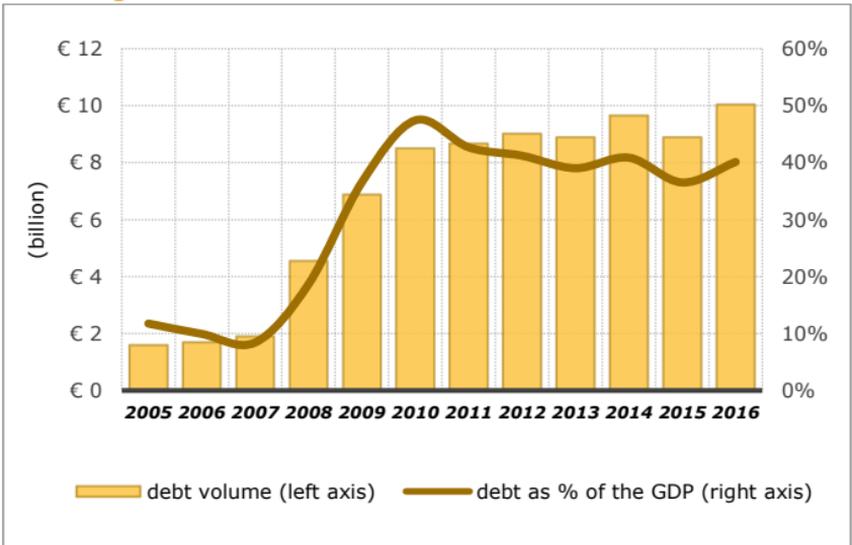
General government sector deficit, surplus as % of the GDP



General government expenditure structure in 2015



General government debt



17. Non-Financial Investment

Largest volume of non-financial investment in transportation and storage

In 2015, non-financial investment reached 4.5 billion euros, with most of it going to the transportation and storage sector – 756.0 million euros or 16.8 % of the total volume of non-financial investment. It was followed by the real estate sector with 643.0 million euros or 14.3 %, manufacturing – 534.0 million euros or 11.9 %, and public administration and defence; compulsory social security – 488.8 million euros or 10.9 %.

Compared to the previous year, in 2015 non-financial investment at constant prices decreased by 6.5 %, which was mainly facilitated by a drop in investments in buildings and structures and intangible assets (concessions, patents, licences, trademarks, software, goodwill). The largest decrease in non-financial investment was recorded in agriculture (of 33.5 %), mining and quarrying (of 33.1 %), and arts, entertainment and recreation (of 28.5 %). In turn, the greatest increase in non-financial investment in 2015 was observed in financial and insurance activities, where the volume of non-financial investment at constant prices grew by 149 % in comparison to 2014, and this was mainly related to investments in real estate and in the restoration of the vehicle fleet. Significant increase in non-financial investment was also recorded in administrative and support service activities (of 34.5 %) and in education (of 23.8 %). Out of the total non-financial investment in 2015, 57.8 % were invested in the Riga region, while 42.2 % were invested in the other regions (18.2 % in Pierīga, 8.4 % in Kurzeme, 5.8 % in Zemgale, 4.6 % in Latgale, and 5.2 % in Vidzeme). As compared to the previous year, in 2015 non-financial investment increased only in the Pierīga region (by 9.9 %).

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

(at current prices)

NACE	2014	2015
Total, million euros	4 817.1	4 501.9
(A) Agriculture, forestry and fishing	298.6	198.4
(B) Mining and quarrying	32.0	21.4
(C) Manufacturing	657.4	534.0
(D) Electricity, gas, steam and air conditioning supply	373.6	330.0
(E) Water supply; sewerage, waste management and remediation activities	128.6	144.4
(F) Construction	160.4	116.7
(G) Wholesale and retail trade; repair of motor vehicles and motorcycles	353.2	363.1
(H) Transportation and storage	770.7	756.0
(I) Accommodation and food service activities	56.7	50.0
(J) Information and communication	184.4	138.0
(K) Financial and insurance activities	50.0	124.5
(L) Real estate activities	599.7	643.0
(M) Professional, scientific and technical activities	100.3	120.5
(N) Administrative and support service activities	93.0	125.1
(O) Public administration and defence; compulsory social security	578.4	488.8
(P) Education	133.0	164.5
(Q) Human health and social work activities	164.0	118.4
(R) Arts, entertainment and recreation	71.5	51.1
(S) Other service activities	11.5	14.0

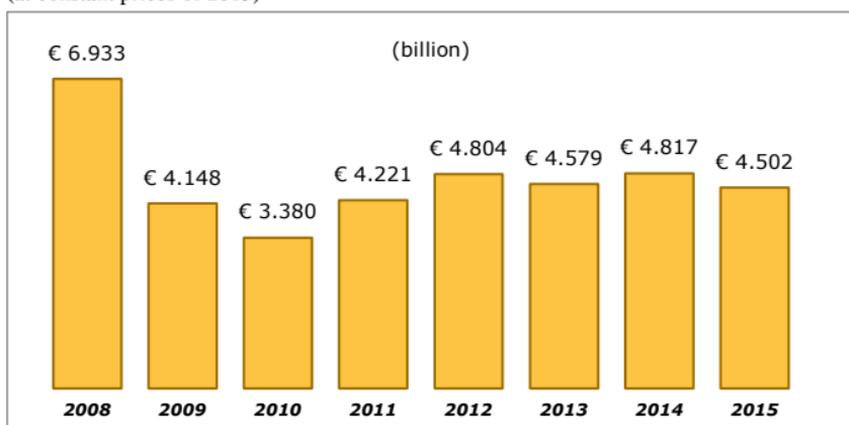
Non-financial investment in statistical regions

(at constant prices of 2015)

	<i>Non-financial investment</i>		<i>of which residential buildings, other buildings and structures</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
Latvia, million euros	4 814.6	4 501.9	2 327.9	2 128.9
Rīga	2 825.4	2 602.6	1 284.6	1 236.1
Pierīga	743.6	817.1	391.9	397.3
Vidzeme	238.1	234.0	112.5	101.2
Kurzeme	396.1	379.3	223.9	188.8
Zemgale	331.1	259.9	160.3	109.5
Latgale	280.3	209.1	154.6	96.0

Non-financial investment

(at constant prices of 2015)



18. Foreign Trade

Foreign trade turnover

In 2016, the foreign trade turnover of Latvia at current prices comprised 22 611.6 million euros – 243.8 million euros or 1.1 % less than in 2015. The exports value constituted 10 332.4 million euros (a drop of 30.9 million euros or 0.3 %), whereas the imports value comprised 12 279.2 million euros (a drop of 212.9 million euros or 1.7 %).

Main exports and imports of goods

In 2016, the largest share of Latvian exports was taken up by machinery, mechanical appliances and electrical equipment, amounting to 17.5 % of the total exports value and being followed by wood and articles of wood – 17.4 %, as well as prepared foodstuffs – 8.1 %. Base metals and articles of base metals comprised 8.1 % of total exports.

The biggest share of imports was also formed by machinery, mechanical appliances and electrical equipment – 21.2 % of the total imports value, whereas products of the chemical and allied industries and transport vehicles comprised 10.8 % and 9.8 %, respectively.

Changes in exports and imports of goods

In 2016, exports of transport vehicles grew by 111.8 million euros or 20.5 % and exports of wood and articles of wood increased by 84.7 million euros or 5.0 %. The exports value of mineral products reduced by 182.6 million euros or 26.0 %, whereas that of machinery, mechanical appliances and electrical equipment – by 171.8 million euros or 8.7 %.

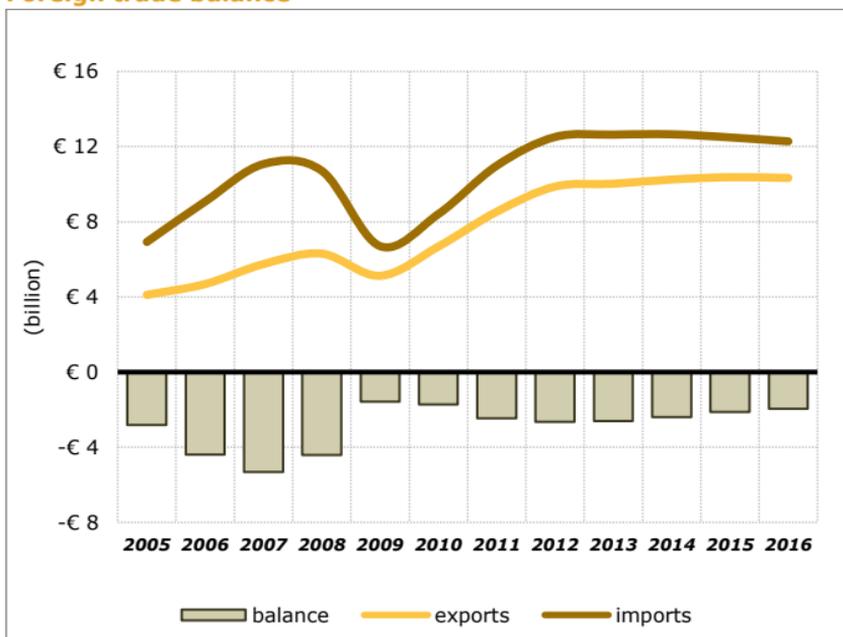
Imports of prepared foodstuffs increased by 106.3 million euros or 11.4 %. In turn, imports of mineral products decreased by 397.6 million euros or 26.4 %, and imports of machinery, mechanical appliances and electrical equipment dropped by 146.6 million euros or 5.3 %.

Main export and import partners

In 2016, exports to countries of the European Union accounted for 7 643.4 million euros or 74 % of the total exports value (an increase of 1.5 %), whereas exports to CIS countries comprised 1 171.2 million euros or 11.3 % (a drop of 5.1 %). Exports to other countries amounted to 1 517.7 million euros or 14.7 % (a decrease of 4.9 %). The main export partners were Lithuania (18.3 % of total exports), Estonia (12.1 %), Russia (7.6 %), Germany (7.2 %) and Sweden (6.0 %).

Imports from countries of the European Union comprised 9 793.5 million euros or 79.8 % of total Latvian imports in 2016 (a drop of 0.4 %), while imports from CIS countries amounted to 1 277.7 million euros or 10.4 % (a decline of 15.1 %). Imports from other countries comprised 1 207.9 million euros or 9.8 % (an increase of 4.6 %). The main import partners were Lithuania (17.5 % of total imports), Germany (11.9 %), Poland (10.8 %), Estonia (8.0 %) and Russia (7.7 %).

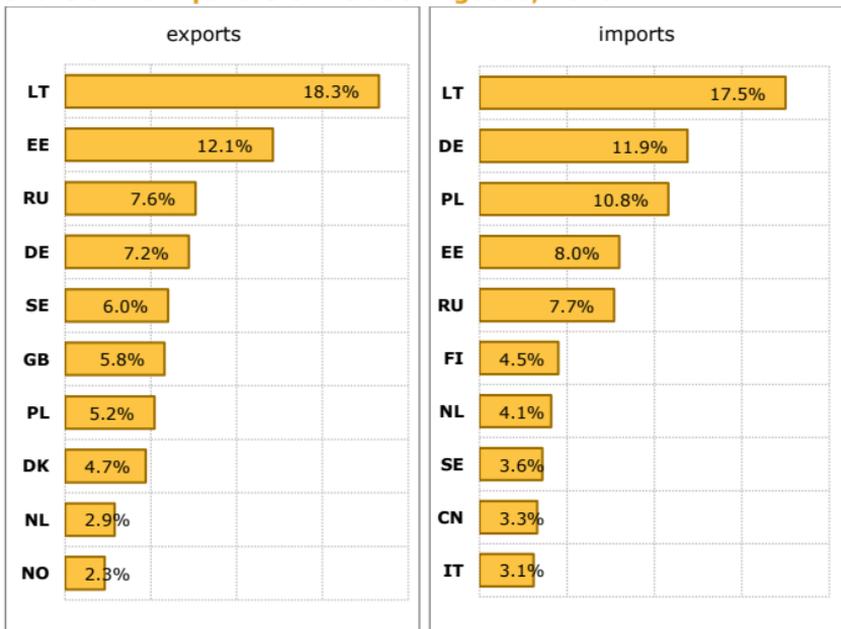
Foreign trade balance



Main exports and imports of goods in 2016

	<i>mln euros</i>	<i>%</i>
Exports – total	10 332.4	100
Machinery and mechanical appliances; electrical equipment	1 811.2	17.5
Wood and articles of wood	1 794.8	17.4
Prepared foodstuffs	840.0	8.1
Base metals and articles of base metals	835.1	8.1
Products of the chemical and allied industries	812.6	7.9
Vegetable products	724.6	7.0
Transport vehicles	656.0	6.3
Mineral products	520.2	5.0
Live animals and animal products	413.5	4.0
Miscellaneous manufactured articles	367.0	3.6
Plastics and articles thereof; rubber and articles thereof	339.7	3.3
Textiles and textile articles	314.8	3.0
Other goods	902.8	8.8
Imports – total	12 279.2	100
Machinery and mechanical appliances; electrical equipment	2 602.4	21.2
Products of the chemical and allied industries	1 323.4	10.8
Transport vehicles	1 209.5	9.8
Mineral products	1 109.8	9.0
Prepared foodstuffs	1 039.1	8.5
Base metals and articles of base metals	935.9	7.6
Plastics and articles thereof; rubber and articles thereof	698.8	5.7
Vegetable products	535.2	4.4
Textiles and textile articles	483.4	3.9
Live animals and animal products	411.0	3.3
Wood and articles of wood	410.4	3.3
Miscellaneous manufactured articles	345.6	2.8
Other goods	1 174.7	9.7

Share of main partners in trade in goods; 2016



Foreign trade of Latvia: main partners and principal goods; 2016

(million euros)

	<i>Eksports</i>		<i>Imports</i>	
Lithuania – total	1 886.6	Lithuania – total	2 152.7	
Machinery and mechanical appliances; electrical equipment	477.1	Agricultural and food products	532.7	
Agricultural and food products	364.0	Mineral products	372.5	
Mineral products	220.6	Machinery and mechanical appliances; electrical equipment	355.4	
Estonia – total	1 251.6	Germany – total	1 457.8	
Agricultural and food products	239.0	Transport vehicles	444.5	
Machinery and mechanical appliances; electrical equipment	223.8	Machinery and mechanical appliances; electrical equipment	301.3	
Wood and articles of wood	169.1	Agricultural and food products	167.2	
Russia – total	787.5	Poland – total	1 320.7	
Agricultural and food products	278.6	Machinery and mechanical appliances; electrical equipment	304.5	
Machinery and mechanical appliances; electrical equipment	179.7	Agricultural and food products	233.1	
Products of the chemical and allied industries	109.1	Products of the chemical and allied industries	147.7	
Germany – total	747.3	Estonia – total	977.0	
Wood and articles of wood	179.6	Agricultural and food products	191.7	
Agricultural and food products	131.2	Machinery and mechanical appliances; electrical equipment	160.1	
Transport vehicles	87.9	Transport vehicles	147.9	
Sweden – total	622.0	Russia – total	949.1	
Wood and articles of wood	172.4	Mineral products	382.7	
Articles of stone, plaster, cement; glass and glassware; ceramic products	82.8	Base metals and articles of base metals	205.8	
Base metals and articles of base metals	73.1	Products of the chemical and allied industries	100.0	

Exports and imports according to the Classification by BEC

(at current prices)

	<i>Exports</i>		<i>Imports</i>	
	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>
Total, million euros	10 363.2	10 332.4	12 492.1	12 279.2
Capital goods	1 497.6	1 250.9	2 223.4	1 829.9
Intermediate goods	5 623.1	5 367.1	5 560.8	5 024.4
Consumption goods	2 617.6	2 746.9	3 442.1	3 560.7
Goods not elsewhere specified	394.2	722.1	709.4	1 229.5
Passenger cars ⁽¹⁾	205.3	227.1	429.2	532.8
Motor spirit ⁽¹⁾	25.3	18.3	127.2	101.9

⁽¹⁾ These commodities are included under several BEC categories.

19. Key Business Statistics

Trade sector makes up half of the total turnover of goods and services

In 2015, the total turnover of goods and services amounted to 51.2 billion euros, almost a half of which – 25.4 billion euros or 49.6 % - was formed by the trade sector. In services and industry the respective indicator accounted for 11.7 billion euros or 22.8 % and 10.2 billion euros or 19.9 %, respectively, while in construction – for 4.0 billion euros or 7.8 %. Compared to the previous year, the turnover grew by 0.2 % in 2015, of which in trade – by 1.8 %, and in services sectors – by 0.3 %, whereas it reduced by 4.4 % in construction and by 2.2 % in industry.

2015 indicates growth in the value of products manufactured

Compared to 2014, the value of goods produced in enterprises increased by 2.7 % in 2015, of which in services sectors – by 6.6 % and in trade – by 5.2 %, while it decreased by 3.2 % in construction and by 0.1 % in industry. In 2015, enterprises produced goods with the total value of 29.1 billion euros (at current prices), the largest share of which was produced by enterprises operating in the services sectors (10.5 billion euros or 36.1 % of the total production value) and the industrial sector (9.4 billion euros or 32.2 %). The value of goods produced by trade and construction enterprises comprised 5.2 billion euros or 17.8 % and 4.0 billion euros or 13.8 %, respectively.

Value added grows by 4.4 %

Compared to 2014, in 2015 value added generated by enterprises grew by 4.4 %, of which in industry – by 8.5 %, in services sectors – by 3.6 %, in trade – by 2.9 %, whereas construction experienced a decrease of 1.3 %. Just as in 2014, the highest value added at current prices was generated by enterprises of services sectors – 4.3 billion euros or 41.1 % of the total value. Lower value was generated by enterprises of the industry and trade sectors – 3.0 billion euros or 28.4 % and 2.3 billion euros or 22.3 %, respectively. The value added generated by construction enterprises amounted to 0.9 billion euros or 8.1 % of the total value.

In 2015, the value added generated by one employed person reached 17.1 thousand euros, and it grew by 5.2 % in comparison to 2014. The highest value added per one employed person was recorded in industry – 21.5 thousand euros, followed by services sectors – 17.1 thousand euros, trade – 14.9 thousand euros, and construction – 13.3 thousand euros. Value added generated by one employed person in industry grew by 11.6 %, in construction and trade – by 4.2 %, and in services – by 1.7 %.

Increase in personnel costs

In 2015, the largest share of enterprise expenditures was formed by purchase of goods and services – 41.8 billion euros (at current prices) or 83.1 % of total expenditures, having decreased by 0.6 % in comparison to 2014. Personnel costs accounted for 5.6 billion euros or 11.0 % – an increase of 5.7 % in comparison to 2014. Gross investments in tangible goods constituted 3.0 billion euros or 5.8 % of total expenditures, which was 1.2 % more than in 2014.

Growth in gross investments in tangible goods was recorded in services sectors and in industry – 6.3 % and 4.4 %, respectively. In turn, it reduced by 36.6 % in construction and by 8.7 % in trade. Out of the total capital investments carried out in 2015, 53.9 % were made in enterprises of services sectors, of which 46.7 % in transportation and storage and 32.5 % in real estate activities. Almost a third or 32.5 % of capital investments were made in industry, with the largest share (50.5 %) invested in manufacturing.

Compared to 2014, in 2015 the greatest increase in personnel costs was recorded in trade and in services sectors – 7.9 % and 7.1 %, respectively, followed by industry – 4.1 %, while construction experienced a slight decrease of personnel costs – of 1.1 %.

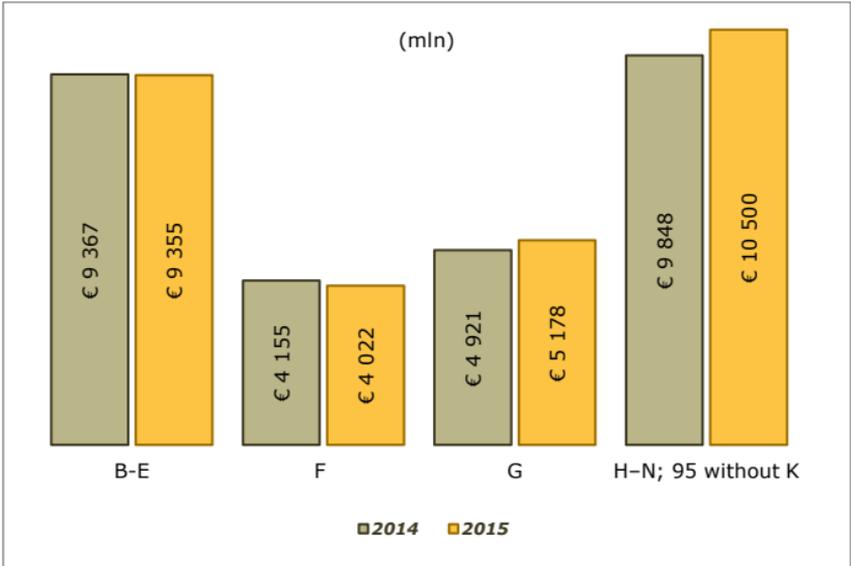
Costs of purchasing goods and services reduced by 6.0 % in industry and by 5.0 % in construction, while they increased by 1.7 % in trade and remained unchanged in the services sectors.

Key business statistics by kind of activity; 2015

(at current prices, million euros)

<i>NACE</i>	<i>Turnover</i>	<i>Value added</i>	<i>Purchase of goods and services</i>	<i>Personnel costs</i>
Total (B-N; 95 without K)	51 187	10 528	41 785	5 555
Industry (B-E)	10 168	2 995	7 366	1 401
Construction (F)	3 993	856	3 183	539
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	25 365	2 347	23 258	1 311
Services (H-N; 95 without K)	11 661	4 330	7 978	2 304

Production value by kind of activity



20. Industry

Rise in industrial production output

Compared to 2015, in 2016 industrial production output grew by 5.4 %. The rise was due to the increase in manufacturing (of 5.6 %), mining and quarrying (0.6 %), as well as electricity and gas supply (6.5 %).

Compared to the year before, in 2016 the most notable rise in manufacturing was influenced by the increase in manufacture of computer, electronic and optical products (of 16.2 %), manufacture of other non-metallic mineral products (11.6 %), manufacture fabricated metal products (9.5 %), and wood processing (8.0 %).

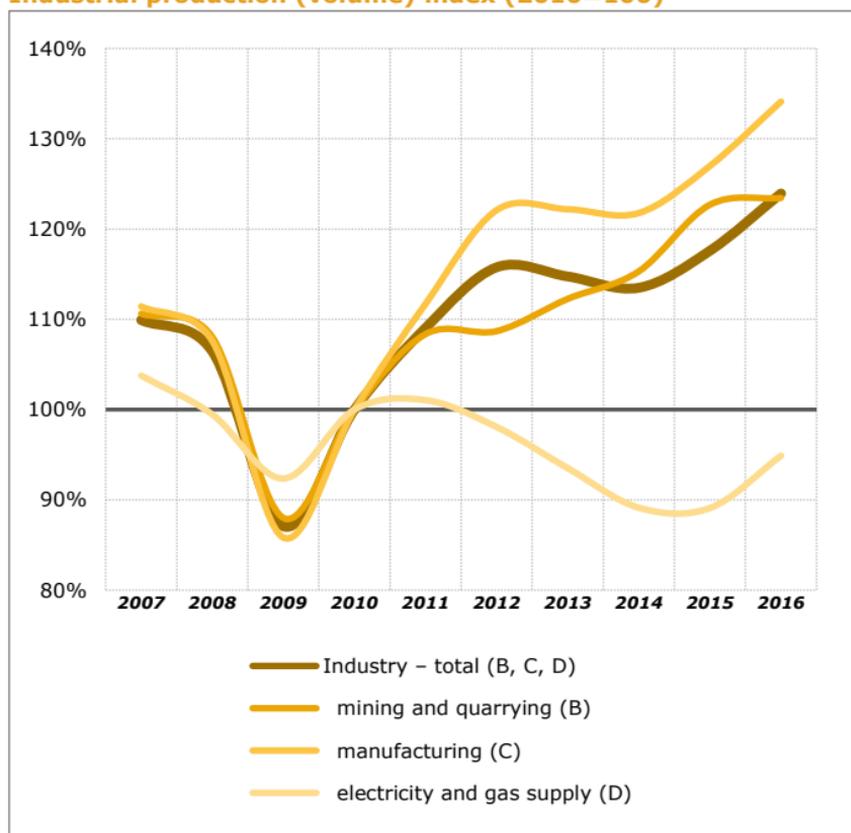
Compared to 2015, in 2016 a decline was observed in manufacture of wearing apparel (of 3.3 %), manufacture of other transport equipment and manufacture of basic metals.

Compared to 2015, in 2016 manufacturing turnover grew by 2.3 %; 64.6 % of the products sold were exported (63.9 % in 2015).

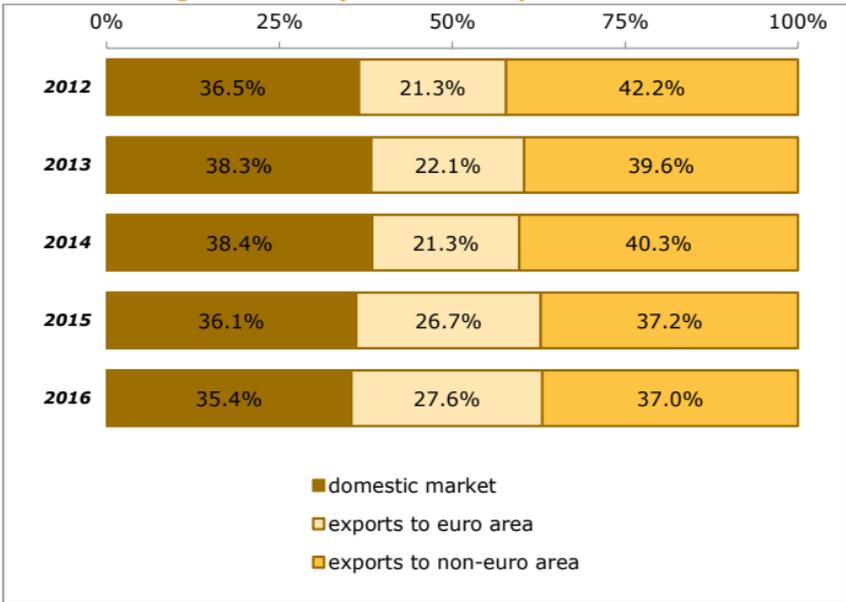
Volume indices of industrial production

NACE	compared to the previous year		2010=100	
	2015	2016	2015	2016
Industry – total (B, C, D)	103.6	105.4	117.6	123.9
mining and quarrying (B)	106.4	100.6	122.7	123.5
manufacturing (C)	104.3	105.6	127.0	134.1
electricity and gas supply (D)	100.0	106.5	89.1	94.9
Intermediate goods	111.4	105.1	136.8	143.8
Energy	100.0	106.5	89.1	94.9
Capital goods	102.6	106.8	157.4	168.1
Consumer durables	114.7	105.1	154.6	162.4
Consumer non-durables	92.9	105.0	98.1	103.0

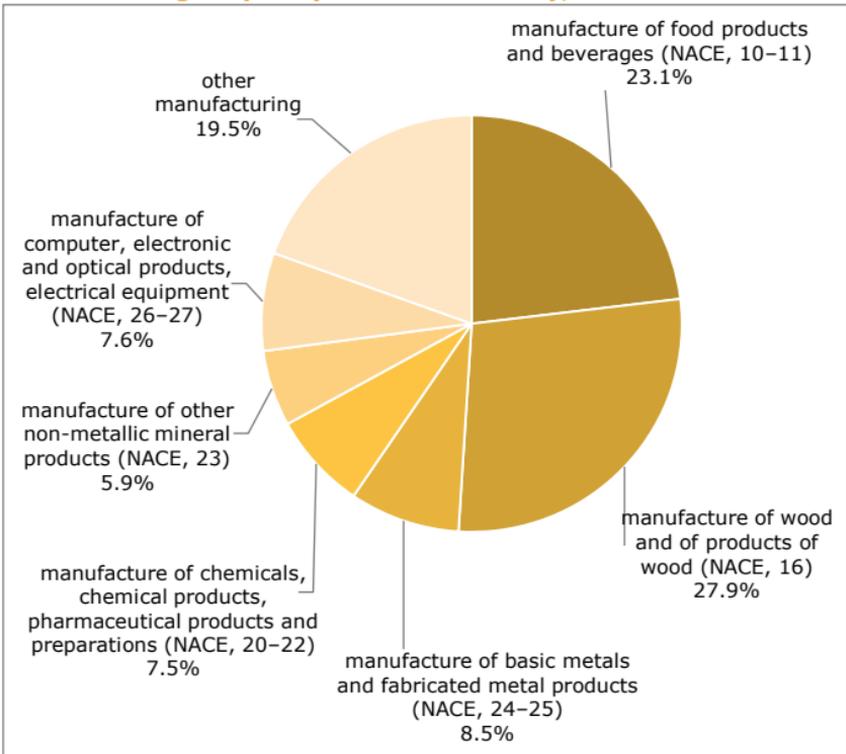
Industrial production (volume) index (2010=100)



Manufacturing turnover by direction of production sales



Manufacturing output by economic activity; 2016



21. Construction

Greatest number of building permits issued for new single-dwelling houses

In 2016, 1 329 building permits ⁽¹⁾ were issued for construction of new single-dwelling buildings and 517 permits for construction, capital repairs, reconstruction and restoration of existing single-dwelling houses; 99 permits were granted for construction of new industrial buildings and warehouses, and 79 for construction in existing industrial buildings and warehouses.

Building permits issued for new construction

	2015	2016
Single-dwelling buildings (excluding summerhouses and garden houses)	1 386	1 329
Two- and more dwelling buildings	49	54
Hotels and similar buildings	52	18
Office buildings	11	13
Wholesale and retail trade buildings	36	18
Industrial buildings and warehouses	151	99

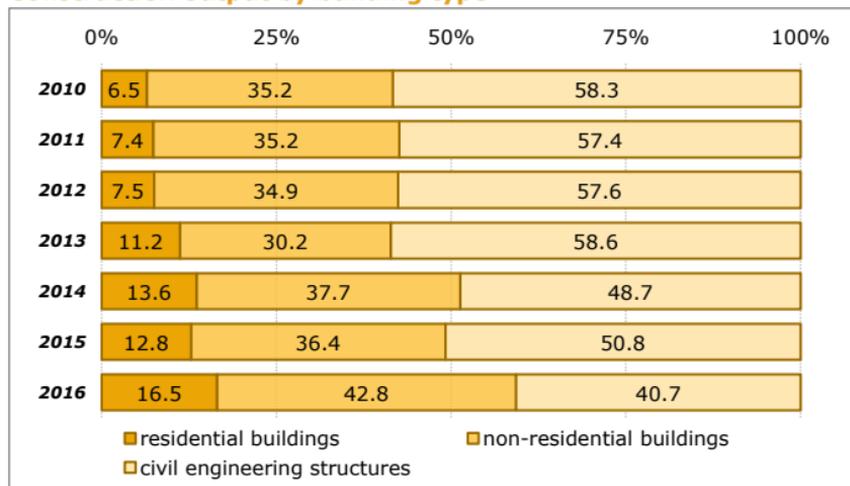
Decline of 17.8 % recorded in construction

Compared to 2015, in 2016 construction output (according to calendar adjusted data) diminished by 17.8 %, comprising 1 425.9 million euros at current prices. Reduction in the construction output was significantly affected by the drop in construction of civil engineering structures (of 33.3 %). Decline was registered in almost all fields of construction of civil engineering structures: of 31.3 % in construction of harbours, waterways, dams and other waterworks, of 29.9 % in construction of bridges, elevated highways, tunnels and subways, and of 11.5 % in construction of highways, streets and roads, airfield runways and railways. Increase, in turn, was observed in construction of main pipelines, communication and electricity lines (of 6.2 %). In 2016, construction of buildings fell by 2.2 %, and the reduction was influenced by the decline in construction of non-residential buildings (of 4.0 %).

Indices of production in construction

	Previous year=100			2010=100		
	2014	2015	2016	2014	2015	2016
Construction output	108.1	98.8	82.2	149.0	147.2	120.9
Buildings	133.7	93.0	97.8	179.3	168.2	164.5
Civil engineering structures	90.7	105.2	66.7	125.9	132.5	88.4

Construction output by building type



¹ Starting from the 4th quarter of 2014, the term *permits granted* in construction statistics indicates the number of records in a building permit regarding compliance with the requirements for initiation of construction.

22. Retail Trade

Rise in retail trade turnover

Compared to 2015, in 2016 retail trade turnover increased by 2.5 %. More than a third of the total retail trade turnover was made up by retail sale of food, which decreased by 1.1 % during the year. Retail sale of non-food products grew by 4.7 % in comparison to 2015. In 2016, the greatest rise was recorded in retail sale via mail order houses or via Internet, retail sale of clothing and footwear, retail sale of pharmaceutical and medical goods, as well as in retail sale of sporting equipment.

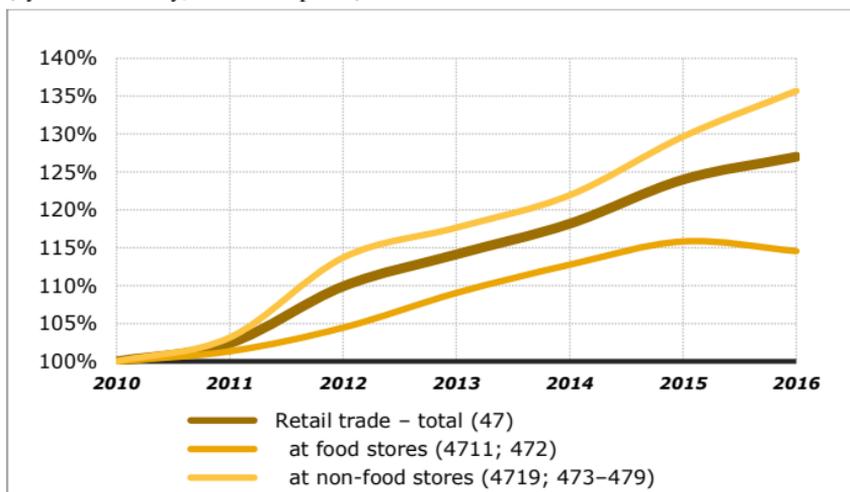
Turnover indices of retail trade enterprises (2010=100)

(by NACE activity, at constant prices)

	2015	2016
Retail trade – total (47)	124.0	127.0
At food stores (4711; 472)	115.8	114.6
At non-food stores (4719; 473–479)	129.7	135.7
Retail sale of automotive fuel (4730)	113.9	116.2

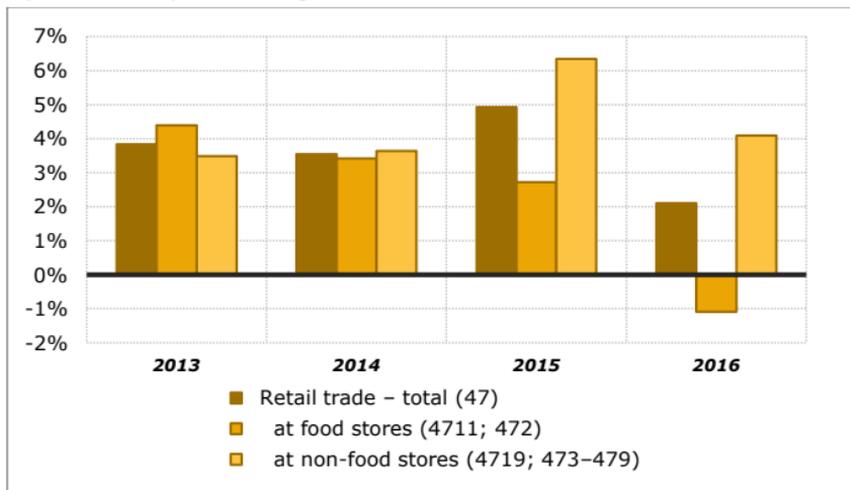
Turnover indices of retail trade enterprises (2010=100)

(by NACE activity, at constant prices)



Changes in turnover of retail trade enterprises in comparison to the previous year

(by NACE activity, at constant prices)



23. Agriculture

Agricultural output tends to decline

Compared to 2015, in 2016 the total agricultural output at constant prices reduced by 3.4 %. The main reasons behind the drop is the projected decrease in both output and prices in crop production sectors. Compared to the year before, the average drop in the output of crop products constituted 5.5 %.

During the last six years, moderate, but stable increase in the output of livestock products may be observed. The average prices of livestock products have fallen slightly. Annual average base prices dropped by 2.7 %, and reduction was registered in both prices of livestock products (of 4.6 %) and crop products (1.6 %).

Last year, harvested production of grain reduced, but sown areas increased

In 2016, the sown area of cereals occupied 716.0 thousand hectares, which is 43.6 thousand hectares or 6.5 % more than a year before and is the widest cereal cropland registered since 1984. Due to unfavourable meteorological conditions, the average yield of cereals from one hectare fell from 44.9 quintals in 2015 to 37.8 quintals in 2016. Nevertheless the second highest yield in Latvia history was reached and significant sown area increase was recorded, in 2016 the harvested production of grain constituted 2.7 million tonnes, which is 0.3 million tonnes or 10.5 % less than in 2015, when record harvest of 3 million tonnes was reaped.

Grain yield was influenced by the increase in proportion of winter wheat in the total sown area of cereals – from 43.2 % in 2015 to 46.1 % in 2016 – as well as the share thereof in the harvested production of grain – from 53.1 % in 2015 to 58.6 % in 2016. The average yield of winter wheat from one hectare constituted 48.0 quintals (55.3 quintals in 2015).

Compared to 2015, in 2016 the sown area of rape rose by 12.1 thousand hectares or 13.6 %, however, due to the decline in average yield from 32.9 quintals in 2015 to 27.8 quintals in 2016, the total yield of rape seeds dropped by 11.4 thousand tonnes or 3.9 %.

Sown areas of pulses keep growing. In 2016, the total area thereof increased by 32.1 %, of which area of field beans rose by 5.4 thousand hectares or 20.9 %. The increase was encouraged by the introduction of a new support payment for climate- and environment-friendly farming practices or agricultural greening in 2015.

In 2016, planted areas and harvested production of potatoes diminished by 6.1 % and 1.2 %, respectively, while the average yield from one hectare rose by 5.2 %.

Last year, 196.6 thousand tonnes of vegetables were produced, which is 1.8 thousand tonnes or 0.9 % more than in 2015. Areas and harvested production of open field vegetables grew by 0.6 %, while the average yield thereof has not changed, comprising 225 quintals from one hectare. The volume of vegetables produced in greenhouses constituted 13.6 thousand tonnes, which is 5.4 % more than in 2015.

Drop in cattle number, while rise in sheep number

At the end of 2016, agricultural holdings were breeding 412.3 thousand cattle, which is 6.8 thousand heads or 1.6 % less than a year before. The decline was affected by the reduction in the number of dairy cows (of 5.2 %).

During the year, the number of pigs increased by 2.2 thousand or 0.7 %. Compared to 2015, last year the exports of live pigs fell by 11.9 thousand or 7 %. Out of the total number of pigs exported, piglets for fattening constituted 59.4 % (27.8 % in 2015). The number of imported pigs grew 2.7 times.

Over the ten recent years, the number of sheep has risen significantly – two times (from 53.9 thousand in 2007 to 106.6 thousand in 2016). Compared to the end of 2015, the number of sheep has gone up by 4.3 %.

Livestock production

In 2016, 87.2 thousand tonnes of meat were produced – 1.8 thousand tonnes or 2.1 % more than in 2015. The most notable increase was recorded in the output of mutton and goat meat (of 8.3 %) and beef and veal (3.7 %). Production of pork and poultry went up only by 1.2 % and 1.8 %, respectively.

Average purchase price of meat grew from 1 456 euros per tonne in 2015 to 1 492 euros per tonne in 2016 or by 2.5 %. The highest increase was recorded in purchase prices of pork – of 7.2 %, reaching 1 406 euros per tonne, followed by mutton and goat meat – of 1.2 %, reaching 3 358 euros per tonne. The average purchase prices of beef and veal, in turn, fell from 1 643 euros per tonne in 2015 to 1 599 euros per tonne in 2016 or by 2.7 %.

In 2016, 986.2 thousand tonnes of milk (incl. goat milk) were produced, which is 8.1 thousand tonnes or 0.8 % more than in 2015, nevertheless the number of dairy cows reduced by 8.4 thousand or 5.2 %. The increase in the volume of milk produced was influenced by the rise in average milk yield per dairy cow – of 277 kilograms or 4.7 %, reaching 6 182 kilograms annually.

Changes in agricultural output (2015=100)

	2016
Agriculture, total	96.6
Crop products	94.5
Livestock products	100.0

Crop production

	2015	2016
Total sown area, thsd ha	1 168.8	1 233.9
Cereals	672.4	716.0
Rape	89.0	101.1
Potatoes	24.8	23.3
Vegetables	8.1	8.1
Average yield, ql./ha		
Cereals	44.9	37.8
Rape	32.9	27.8
Potatoes	201	211
Vegetables	225	225
Harvested production, thsd t		
Cereals	3 021	2 703
Rape	293	281
Potatoes	497	492
Vegetables	195	197

Number of livestock

(at the end of the year, thousands)

	2015	2016
Cattle	419.1	412.3
of which dairy cows	162.4	154.0
Pigs	334.2	336.4
Sheep	102.3	106.6
Goats	12.7	13.2
Horses	9.6	9.3
Poultry	4 532.0	4 711.7

Livestock production

(thousands tonnes)

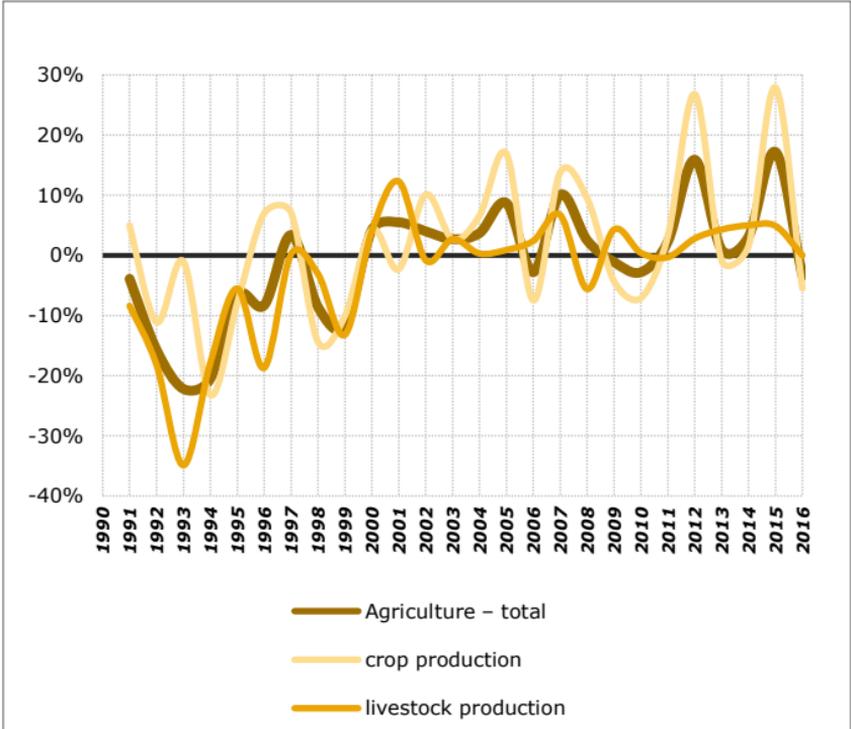
	2015	2016
Meat (slaughter weight)	85.4	87.2
beef and veal	18.8	19.5
pork	35.9	36.4
mutton and goat meat	0.9	0.9
poultry	29.7	30.2
Milk (incl. goat milk)	978.1	986.2
Eggs, mln pcs	698.2	750.1
Wool, t	197	200
Honey, t	2 091	1 585

Output of agricultural products per capita

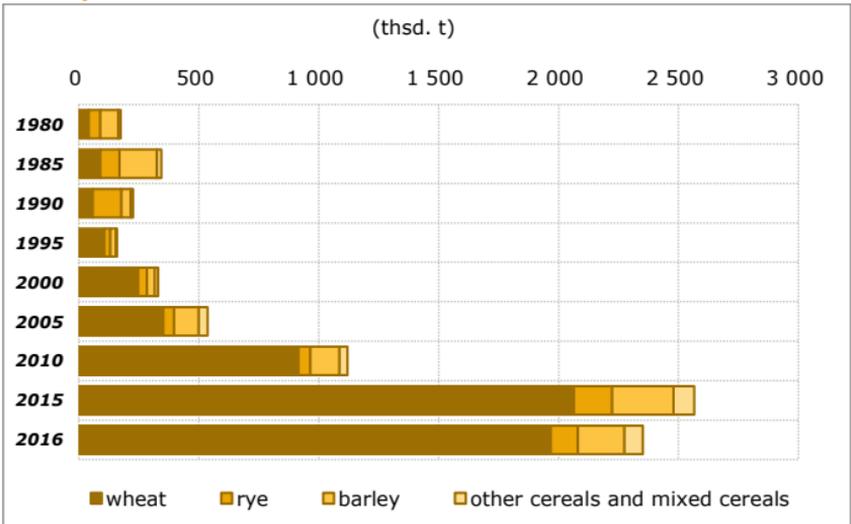
(kg)

	2015	2016
Grain	1 527	1 378
Potatoes	251	251
Vegetables	99	100
Fruit and berries	6	7
Meat (slaughter weight)	43	44
pork	18	19
Milk	495	503
Eggs	353	383

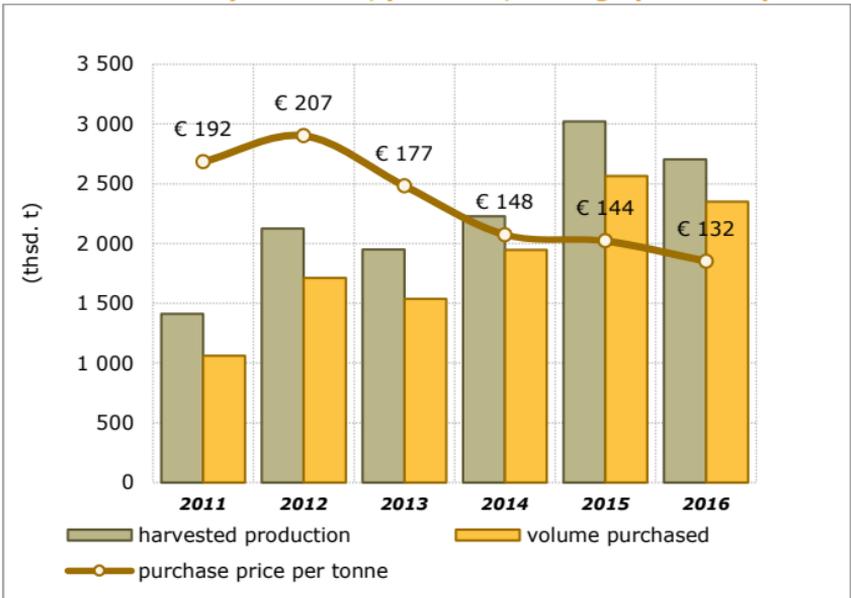
Changes in agricultural output compared to the previous year



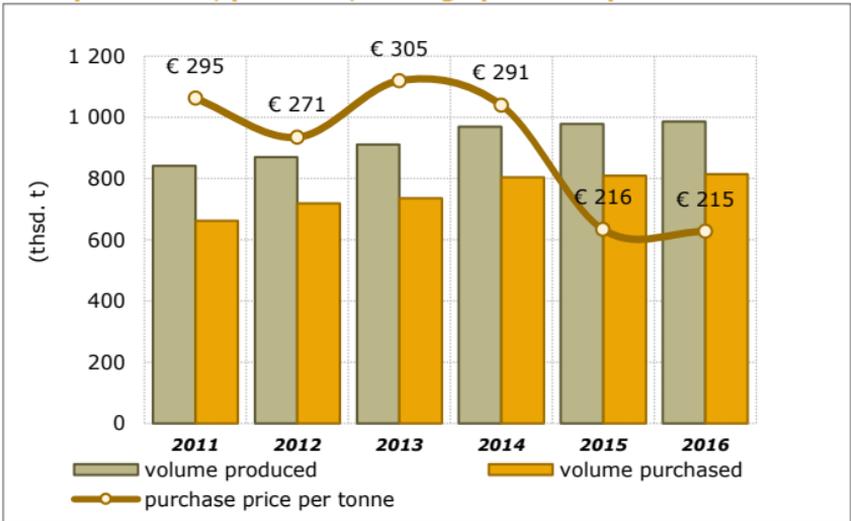
Grain purchase



Grain: harvested production, purchase, average purchase price



Milk: production, purchase, average purchase price



24. Tourism

The number of visitors hosted at tourist accommodation establishments has grown by one million over six years

In 2016, 2.3 million visitors were hosted at tourist accommodation establishments of Latvia – 7.7 % more than the year before. The respective indicator has increased by 75 % since 2010, when 1.3 million guests were hosted. Compared to 2015, the number of nights spent by foreign visitors has increased by 7.5 %. Foreign visitors spent an average of 1.9 nights at tourist accommodation establishments.

In 2016, 1.57 million foreign visitors were hosted in Latvia, with the respective indicator increasing by 6.7 % in comparison to 2015, whereas the number of nights spent by foreign visitors increased by 5.9 %. The largest share of travellers came from Russia (208.8 thsd), Germany (187.8 thsd) and the Baltic neighbours – Lithuania (158.8 thsd) and Estonia (145.3 thsd). There was a significant increase in the share of visitors from China (of 57.8 %), USA (of 33.9 %), Israel (of 27.5 %), the United Kingdom (of 22.7 %), Spain (of 21.6 %), and Finland (of 21.5 %). A slight upturn was recorded in the number of visitors from Russia – of 2.5 %. In turn, there were less visitors from Belgium (by 25.4 %), the Netherlands (by 8.4 %), Norway (by 4.7 %), Sweden (by 3.6 %), and the Czech Republic (by 3.2 %).

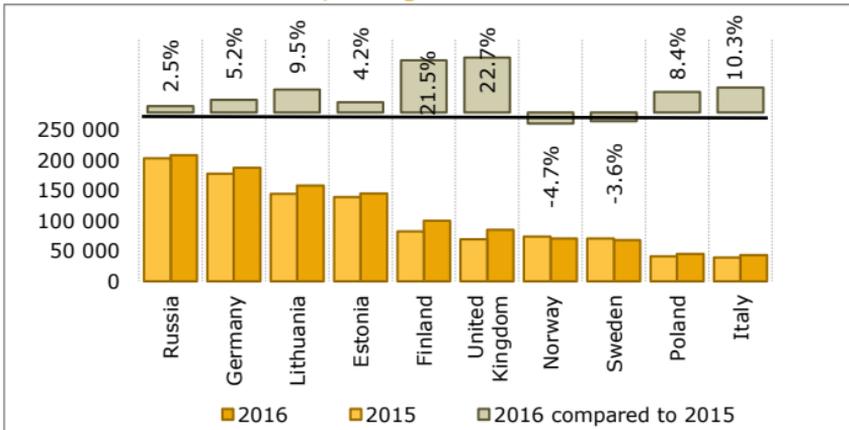
Out of the total number of foreign visitors, 79.3 % stayed in Riga, 7.3 % – in Jūrmala, 1.7 % – in Liepāja, 1.6 % – in Ventspils, 1.4 % – in Sigulda county, and 1.1 % – in Daugavpils.

In 2016, 730.0 thsd residents of Latvia stayed at tourist accommodation establishments, which was 9.8 % more than in 2015, whereas the number of nights spent increased by 11.0 %, reaching 1.37 million.

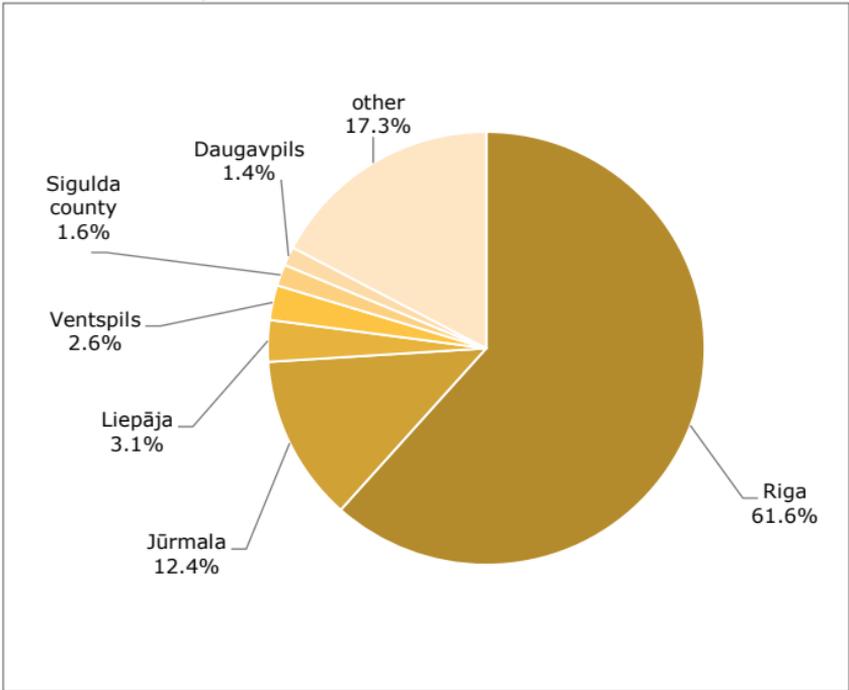
Operation of hotels and other accommodation establishments

	2015	2016
Number of establishments (at the end of the year)	563	607
Hotels and similar accommodation	306	316
Guesthouses and other short-stay accommodation	242	275
Camping grounds, recreational vehicle parks and trailer parks	15	16
Number of beds (at the end of the year)	34 420	37 453
Hotels and similar accommodation	24 109	25 276
Guesthouses and other short-stay accommodation	9 428	11 229
Camping grounds, recreational vehicle parks and trailer parks	883	948
Number of visitors, thsd	2 139.4	2 303.6
Hotels and similar accommodation	1 865.3	1 966.2
Guesthouses and other short-stay accommodation	205.4	256.4
Camping grounds, recreational vehicle parks and trailer parks	68.7	81.0

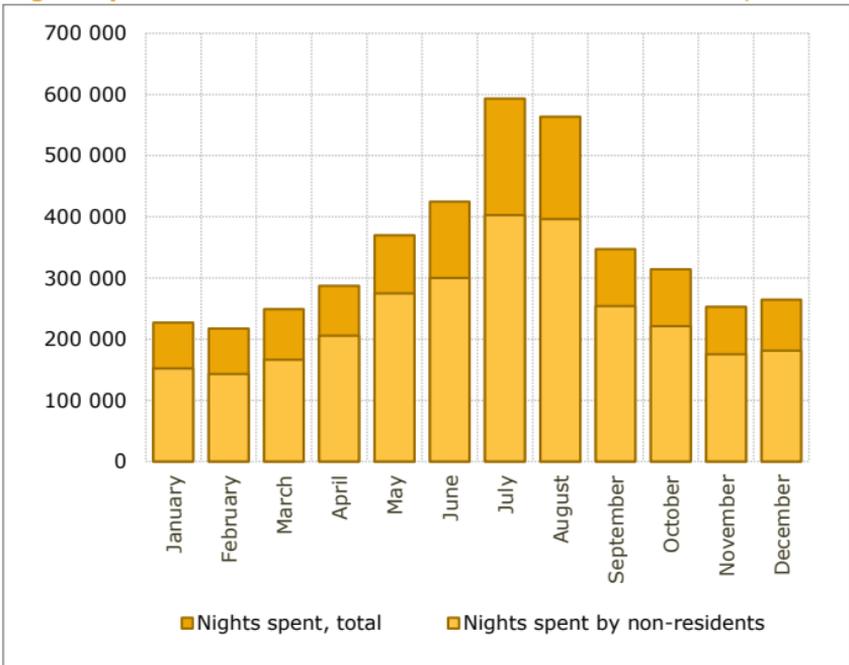
Foreign visitors hosted at tourist accommodation establishments of Latvia, changes in 2015 and 2016



Nights spent at hotels and other accommodation establishments; 2016



Nights spent at accommodation establishments of Latvia; 2016



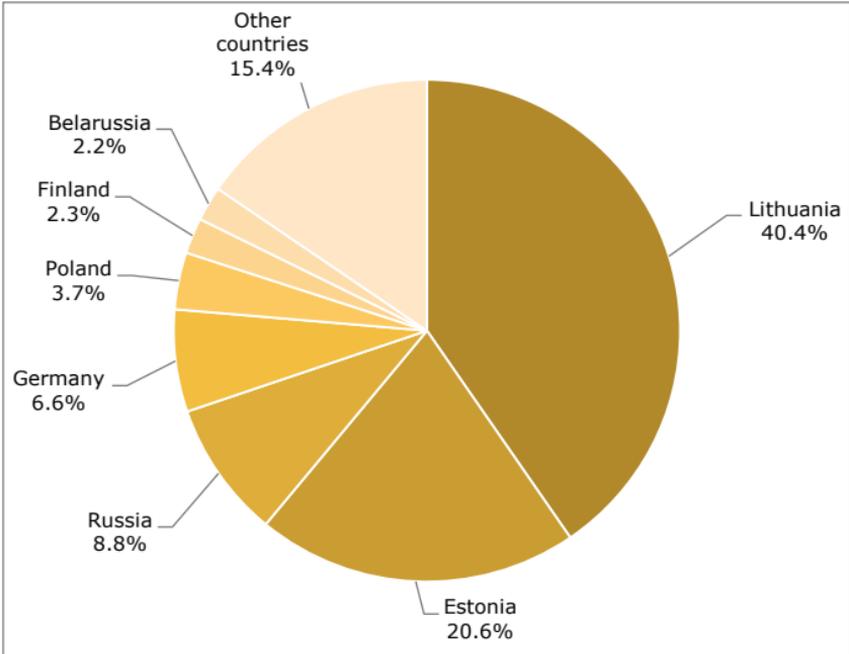
Overnight travellers by country of residence

	2015	2016
Foreign travellers – total, thsd.	2 023.5	1 793.3
Lithuania	345.6	374.8
Estonia	283.3	263.4
Russia	279.1	222.4
Germany	181.6	193.7
Sweden	112.4	117.9
United Kingdom	107.5	85.1
Finland	116.4	73.3
Poland	18.4	55.7
Denmark	50.3	54.6
Czech Republic	495.3	352.5
Other countries	2 023.5	1 793.3

Foreign travellers by purpose of trip

	2015	2016
Foreign travellers – total, %	100	100
Purpose of trip	71.0	63.5
recreation	43.1	38.4
visits to friends, relatives	16.2	15.0
business	11.7	10.1
Other	29.0	36.5
transit	25.1	31.0

Foreign travellers by country; 2016



25. Information Technologies in Enterprises

Information and communication technologies used by almost all Latvian enterprises

Almost all of the medium-sized and large enterprises use computers and the Internet, while 98.6 % of small enterprises use computers and 96.5 % of them use the Internet.

More than a half of enterprises have a website

In 2016, 63.5 % of enterprises had a website – 58.8 % of small enterprises, 84.2 % of medium-sized enterprises and 96.3 % of large enterprises.

In 2016, the enterprises to have a website most often were those providing information and communication services (93.6 %), as well as enterprises engaged in accommodation activities (95.6 %). There are also sectors, in which enterprises tend to have a website less often, for example, in real estate activities (49.8 %), in transportation and storage (48.9 %), as well as in retail trade (48.4 %).

Websites were mostly used by enterprises in order to provide customers with the possibility to view the descriptions of goods or services, as well as the price list (60.0 %). One sixth of enterprises provided the possibility to make online orders or reservations on their websites. 15.5 % of enterprise websites contained job offers or online job application forms.

There is a growing trend for enterprise websites (18.9 % in 2016) to include links or references to their social media profiles (for example, Twitter, Facebook, Instagram). This can be seen on the websites of 16.4 % of small enterprises, 27.7 % of medium-sized enterprises and 51.4 % of large enterprises. Every fourth enterprise uses at least one social media platform.

Types of Internet connections

In 2016, the Internet was used by 96.9 % of enterprises. The most popular type of Internet connection among enterprises is the fixed broadband connection. In 2016, 85.0 % of enterprises using the Internet indicated that they use the respective type of connection, whereas 49.7 % used a mobile broadband connection (3G or 4G).

Enterprises tend to choose fast Internet

The download speed of Internet used in Latvian enterprises is continuing to increase. In 2016, the download speed in 25.1 % of enterprises was 10–30 Mb/s. There has been an increase in the share of enterprises to have a download speed of 30–100 Mb/s (from 9.2 % in 2012 to 20.0 % in 2016) and a download speed of 100 Mb/s and more (from 10.2 % in 2012 to 25.5 % in 2016).

Cloud computing services used by 8.4 % of enterprises

The share of enterprises paying for cloud computing services has increased from 5.7 % in 2014 to 8.4 % in 2016. In 2016, cloud computing services were used by 6.9 % of small enterprises, 12.7 % of average-sized enterprises and 32.1 % of large enterprises. The respective services were used the most by enterprises, the main kind of economic activity of which is the repair of computers and communication equipment (43 %), followed by providers of information and communication services (32.3 %), enterprises carrying out publishing, programming and broadcasting activities (22.8 %), as well as travel agencies and tour operators providing reservation services (17.8 %).

More enterprises carrying out e-commerce

In 2015, 41.1 % of enterprises purchased goods or services on the Internet. In turn, the possibility to sell goods or services on the Internet, via applications or other computer networks was used by every tenth enterprise or 10.2 % of enterprises.

Similarly to previous years, in 2015 the enterprises to carry out sales on Internet websites or via applications the most were those, the main kind of economic activity of which is the repair of computers and communication equipment (54.4 %), provision of travel agency, tour operator and other reservation services (52.6 %), and provision of accommodation services (47.9 %).

Main ICT indicators in enterprises; 2016

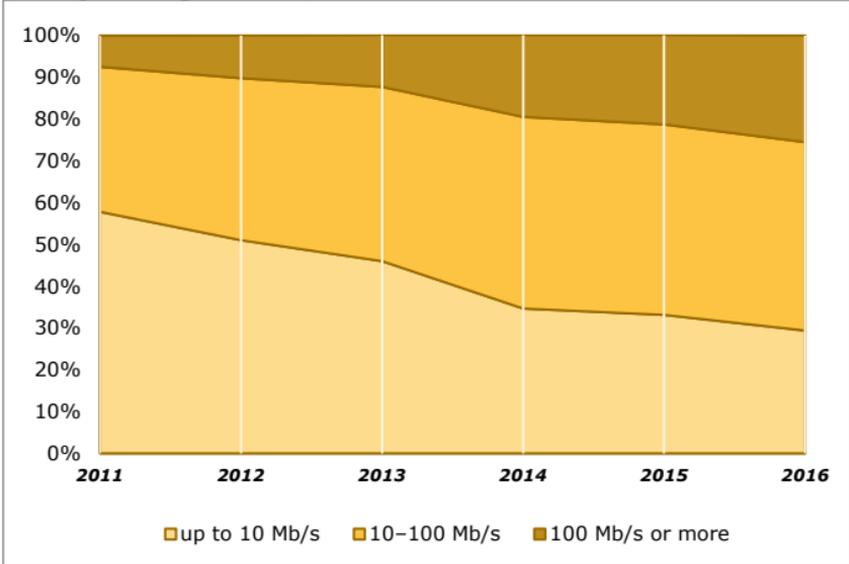
	Computer use	Internet use	Internet website
Total	98.7	96.9	63.5
by number of persons employed:			
10-49	98.6	96.5	58.8
50-249	99.2	98.5	84.2
250+	100.0	100.0	96.3

Types of Internet connections in enterprises

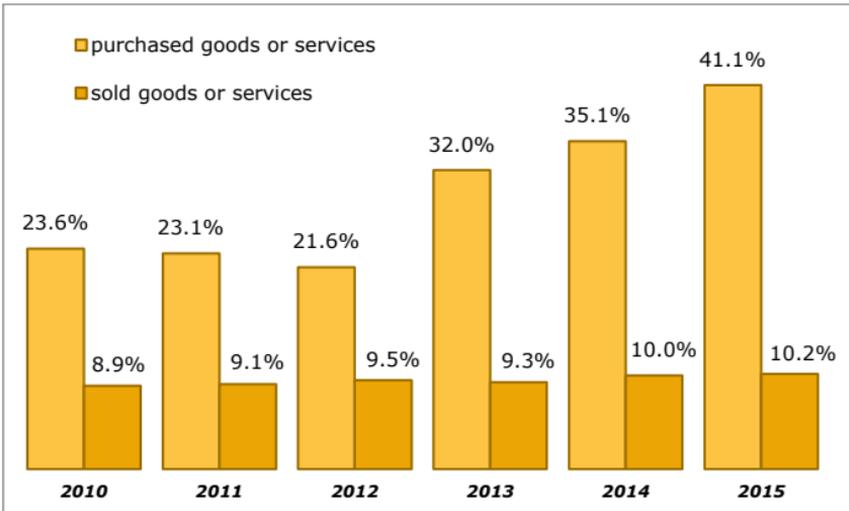
	2015	2016
Fixed broadband Internet connection	87.6	85.0
Mobile broadband connection using a 3G or 4G mobile network	47.5	49.7
Other mobile connection via other portable devices (e.g., smartphones)	50.3	55.6

Internet connection download speed in enterprises

(in enterprises using the Internet)

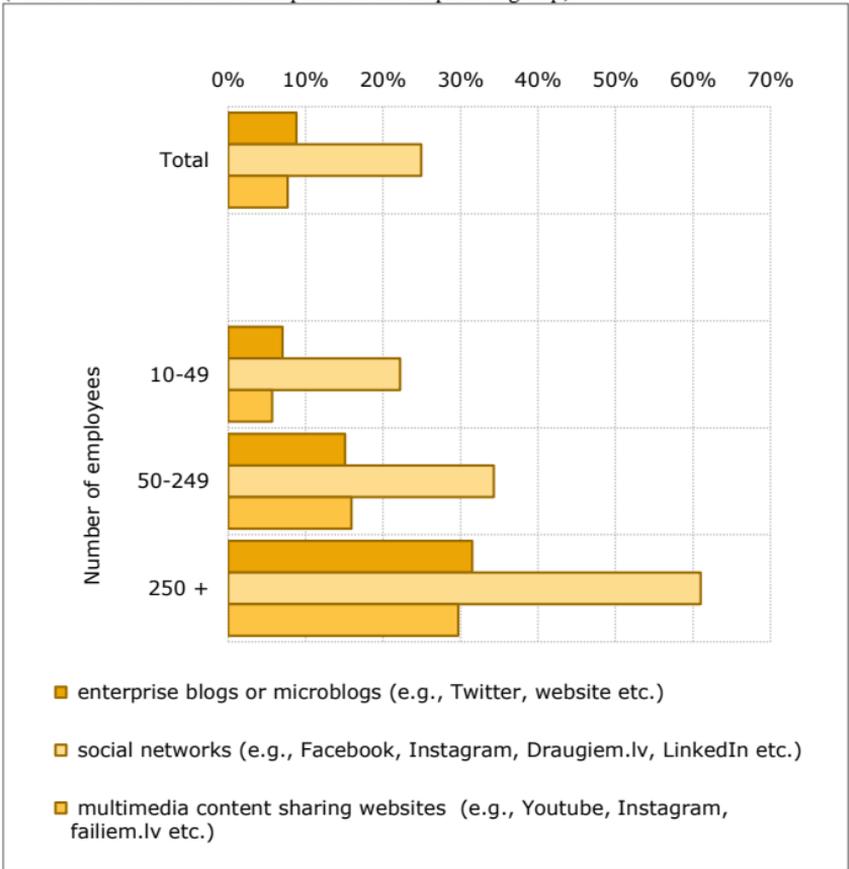


Share of enterprises that purchased and sold goods or services on the Internet



Use of social media in enterprises; 2016

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



26. Access to the Internet

75 % of the population have broadband Internet

In 2016, 77.3 % of the population had access to the Internet, while in 2004 it was available only to 14.7 %. In 2016, 75.1 % of the population had a broadband Internet connection, compared to only 5.4 % in 2004. Access to the Internet is directly proportional to the household income level: households with the lowest income (1st quartile) have access to the Internet only in 52.2 % of cases, while households with the highest income (4th quartile) have Internet in 97.7 % of cases.

Increase in the number of Internet users

The number of Internet users is continuing to increase, reaching 82.6 % in 2016. During the year, young people aged 16 to 24 were the ones using Internet the most on a regular basis (99.3 %). In turn, the Internet is used by only 48.9 % of the older generation (persons aged 55–74).

Internet used the most for sending and receiving e-mails

In 2016, residents of Latvia used the Internet mainly for sending and receiving e-mails (86.2 %), reading online news, newspapers and magazines (84.2 %), as well as for Internet banking (76.1 %). In turn, Internet is used the least for making doctor's appointments (8.4 %), selling goods or services online (6.9 %) and for creating websites or blogs (4.0 %). According to data of the 2016 survey, 44.4 % of the population had purchased something on the Internet at least once during the year. Over the past ten years, the number of residents shopping online has increased from 14.8 % in 2006 to 44.4 % in 2016.

Out of all the residents who had made online purchases over the past year, 81.3 % did so in Latvian online stores, while 45.9 % made purchases in online stores registered in other EU Member States and 39.6 % shopped in online stores from the rest of the world

As compared to 2008, cooperation of Internet users with state or public institutions has increased in 2016. Only every fourth Internet user searched for information on the websites of state and public institutions in 2008, however, already 80.7 % used this possibility in 2016.

Use of cloud computing services

In 2016, 21.9 % of all residents used cloud computing services. The respective services were used most often by young people aged 16–24 (43.6 %) and employed persons, while the services were used the least by seniors aged 65–74 (3.2 %).

Access to the Internet in households

	2015	2016
Total, %	76.0	77.3
Households with children	93.6	94.5
Households without children	69.1	69.9

Internet activities in 2016

(of the total population in the respective age group, %)

	Total	16–24	25–54	55–74
Sending/receiving e-mails	68.6	89.8	81.3	38.8
Reading online news and newspapers	67.2	78.1	77.6	44.8
Internet banking	60.7	70.6	73.1	35.2
Participation in social networking	57.1	91.7	67.9	24.6
Finding information about goods or services	59.7	74.4	72.5	31.5
Telephoning over the Internet/ making video calls (via webcam) over the Internet	40.6	55.5	45.2	26.7

Share of population with computer skills in 2016

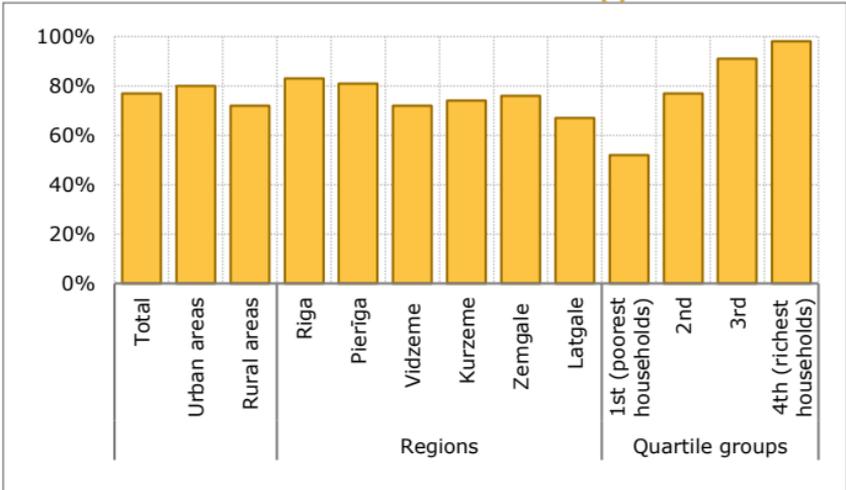
	%
Copying and moving files or folders	64.5
Transferring files to other devices	61.7
Using word processing programs	46.2
Using spreadsheet programs	35.8
Installing new software	33.9
Creating presentations	23.9
Changing software settings	19.9
Processing images, video files or audio files with software	14.2
Writing in programming language	2.2

Share of population shopping online in 2016

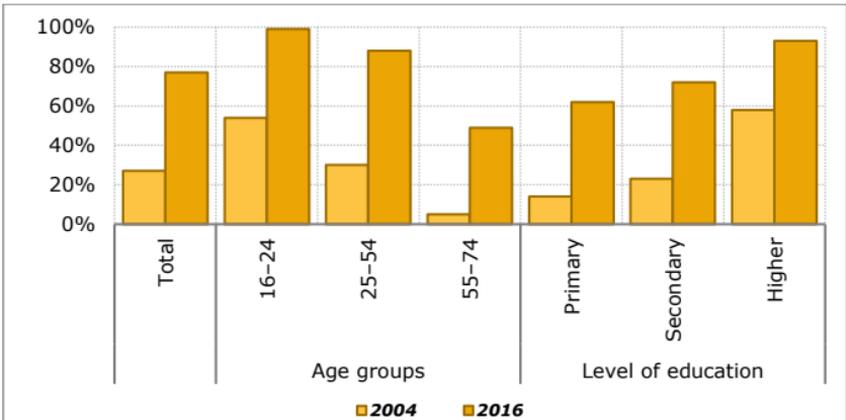
(of the population using Internet, %)

	Total	Males	Females
Clothes, sports goods	46.3	37.0	54.4
Tickets for events	34.7	31.4	37.6
Household goods	33.6	30.4	36.3
Electronic equipment	29.3	39.9	20.3
Travel arrangements	21.4	20.5	22.1
Telecommunication services	12.1	12.6	11.6

Access to the Internet in households in 2016 ⁽¹⁾

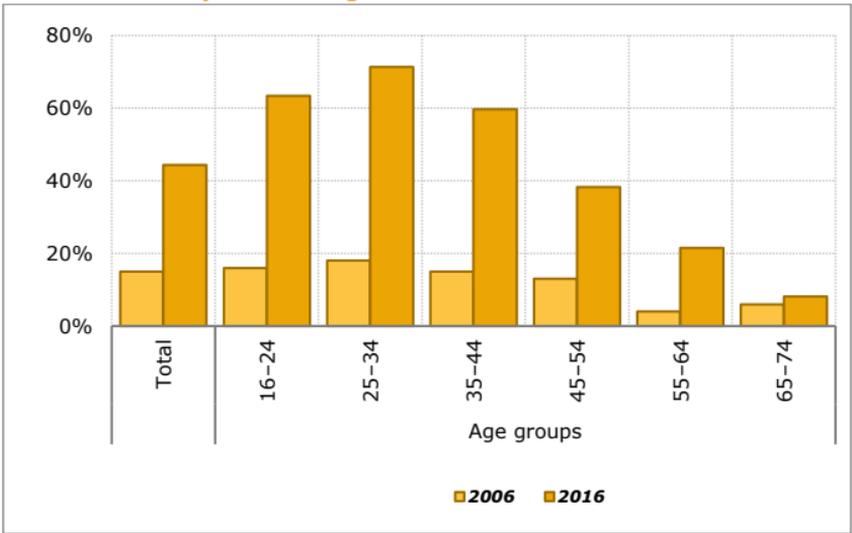


Residents who used the Internet at least once a week



⁽¹⁾ Here and hereafter: the 1st quartile covers households with the lowest income level, while the 4th quartile – households with the highest income level.

Residents who purchased goods or services online



27. Research and Development

Long-term R&D targets in Latvia

Research and experimental development (R&D) intensity is the ratio of the gross domestic expenditure on R&D to the gross domestic product. Expenditure on R&D in Latvia has been low for a long time. One of the Europe 2020 strategy headline targets states that 3 % of the EU's GDP should be invested in R&D. Latvia has set a national R&D intensity target of 1.5 % till 2020 and of 3 % till 2030.

Latvian R&D expenditure has reduced

Compared to 2014, in 2015 Latvian R&D expenditure has reduced by 0.06 percentage points, comprising 0.62 % of the GDP. For comparison – in Lithuania it has grown by 0.03 percentage points, constituting 1.04 % of the GDP and in Estonia by 0.6 percentage points, comprising 1.5 %. In 2015, smaller R&D intensity among EU countries was recorded only in Romania (0.49 %) and Cyprus (0.46 %). The greatest R&D intensity increase was observed in Sweden – 0.11 percentage points (3.26 %). Compared to 2014, in 2015 the average R&D intensity in the EU has not changed and accounted for 2.03 %.

In Latvia, R&D mainly is undertaken in higher education sector. In 2015, R&D carried out within this sector amounted at 75.6 million euros, constituting 0.231 % of the GDP. R&D conducted within government sector amounted at 39.0 million euros or 0.16 % of the GDP, while that within business enterprise sector – at 37.6 million euros or 0.15 % of the GDP.

In 2015, funding from abroad still constituted the largest share (45.0 %) of the total R&D expenditure, government sector funding took 32.7 %, business enterprise sector 21.01 %, and higher education sector 2.2 %. Compared to 2014, rise was recorded only in government sector funding (of 19.4 %); business enterprise sector funding fell by 32.4 %, higher education sector funding by 10.8 %, and funding from abroad by 5 %.

In 2015, government sector funding on R&D constituted 49.8 million euros. The largest share of the total government sector funding consisted of funding of scientific base (39.6 % or 19.7 million euros), followed by state research programmes (13.0 % or 6.5 million euros), and development of research activities (12.1 % or 6.0 million euros), whereas 3.1 million euros or 6.2 % of the total government sector funding were granted to participation in international projects. Compared to 2014, the highest increase may be observed in the government funding granted for the development of research activities – 2.5 times.

In 2015, R&D engaged 11 283 employees, 7 827 (69.4 %) of which were researchers. Two thirds (67.7 %) of the R&D personnel were employed in higher education sector. The number of young researchers still is very small – researchers aged under 34 constituted 25.8 % of the total researcher number in 2015, whereas that of researchers aged over 65 constituted 15.9 %. Females comprise more than a half of researchers – 51 %, moreover Latvia has the greatest share of female researchers in the EU (EU average in 2013 – 33.2 %). In 2015, greater proportion of female researchers was engaged in government sector (58.0 %) and higher education sector (52.1 %), whereas business enterprise sector employed 40.7 % of female researchers.

R&D expenditure

	2014	2015
Expenditure, thsd euros	162 796	152 252
R&D intensity:		
In Latvia	0.68	0.62
In EU	2.03	...

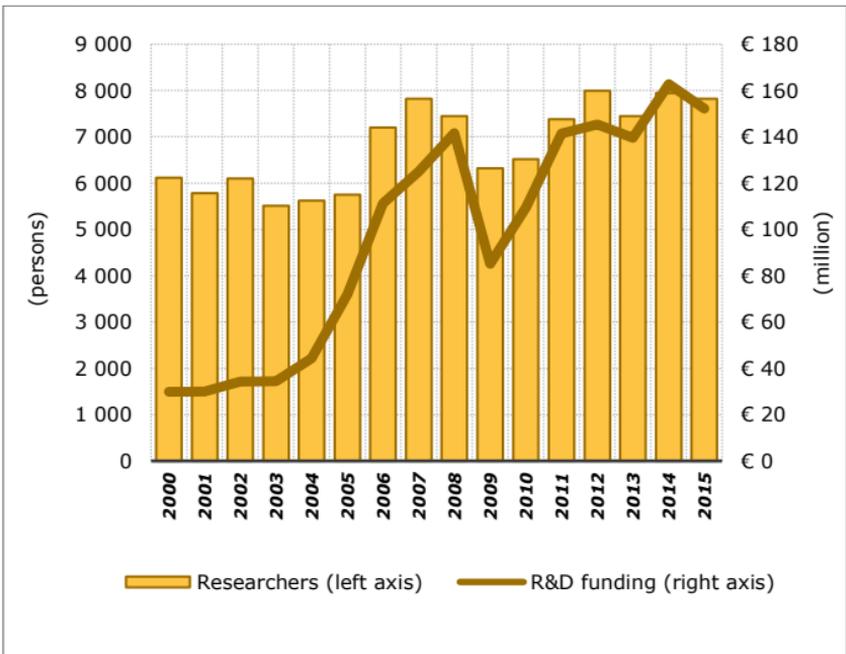
Researchers – doctorate holders

	2014	2015
Total, persons	3 812	3 809
Higher education sector	3 183	3 223
Government sector	439	190
Business enterprise sector	422	161

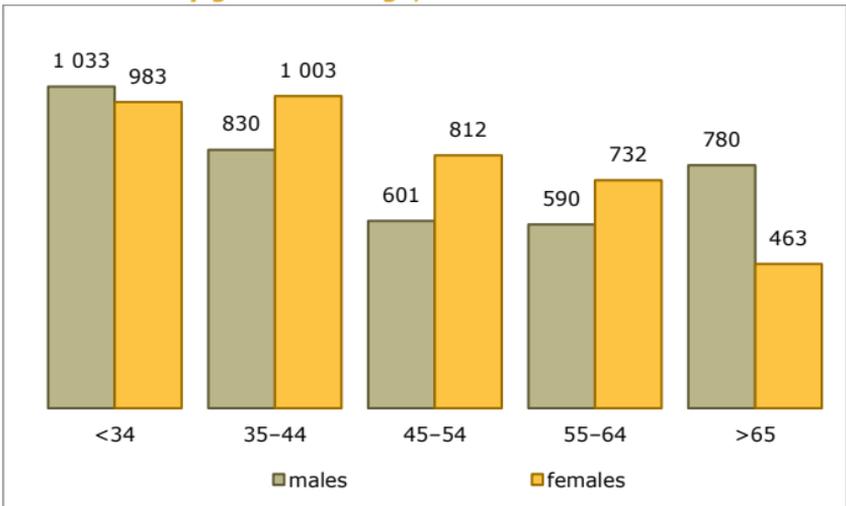
R&D funding in 2015

	TOTAL	% of GDP	by source of funds:			
			business enterprise sector	government sector	higher education sector	abroad
Total, thsd euros	152 252	0.62	30.6	49.8	3.4	68.5
higher education sector	75 617	0.31	5.9	33.3	3.4	33.0
government sector	38 988	0.16	6.6	15.9	-	16.5
business enterprise sector	37 647	0.15	18.1	0.6	-	19.0
R&D intensity	0.62	x	0.13	0.20	0.01	0.28

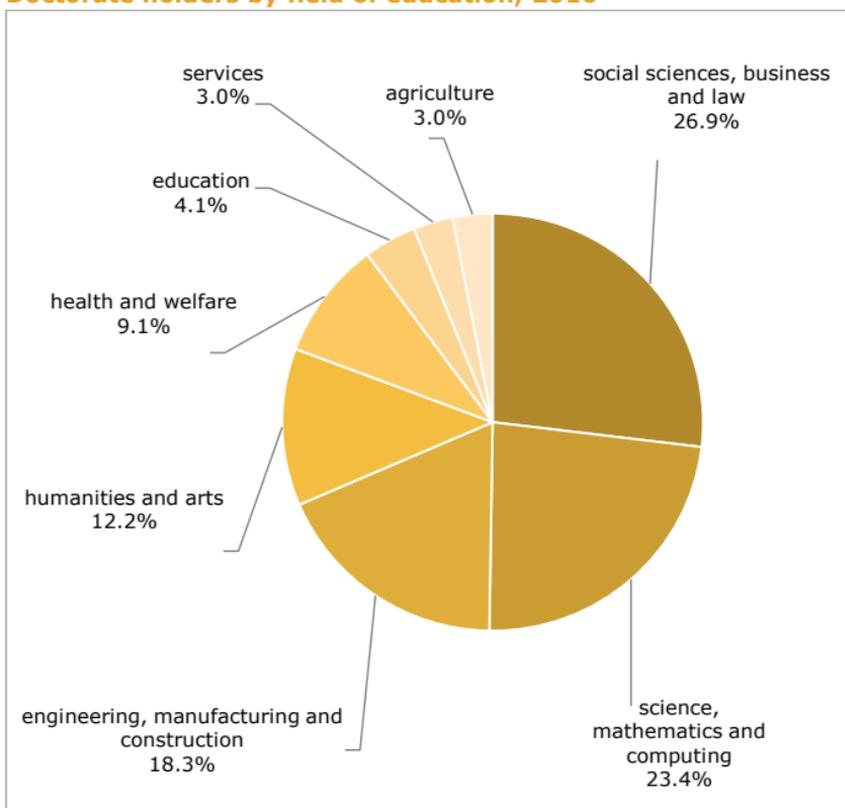
Research activities



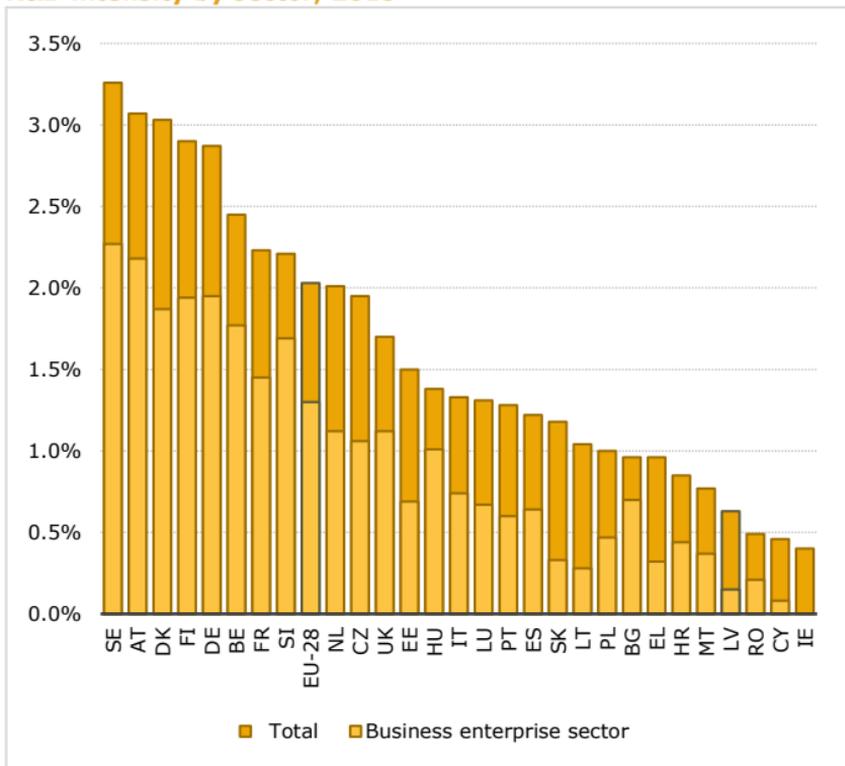
Researchers by gender and age; 2015



Doctorate holders by field of education; 2016



R&D intensity by sector; 2015



Data source: Eurostat (rd_e_gerdot) 30.11.2016

28. Environment and Environmental Protection

Natural resources

Dolomite, gypsum, limestone, sand-gravel, sand, quartz sand, clay and peat are the main mineral resources ⁽¹⁾ in Latvia. Minerals of the country mainly are used in the production of construction materials and chemicals and in small amounts also in energy sector (peat).

Nevertheless timber exports indicate increase, the country area covered by forest has expanded. Data acquired within the monitoring of forest resources show that, on 1 January 2014 forest area in Latvia occupied 3 260 thousand hectares or 50 % of the total country territory, 1 510 thousand hectares of which were state-owned (46.3 % of total forest area), while forest land belonging to other owners occupied 1 750 thousand hectares (53.7 % of the total forest area).

Out of the total area of forest stands, 45.2 % were taken by coniferous trees. Latvia forests are dominated by three tree species – pine, birch, and spruce, and the stands thereof totally occupy three fourths of the total forest area. The remaining forest area is taken by black alder, grey alder, asp, ash, and oak stands. The share of birch and other deciduous tree stands in Latvia is increasing, since agricultural area is still overgrowing with deciduous trees. In 2009–2013, the average production of timber constituted 12.0 million m³, which is approximately 70 % of the increase in the sanding timber.

Specially protected nature territories

There are 683 specially protected nature territories ⁽²⁾ in Latvia that are grouped in eight categories and occupy 19 % of the land area. Those are: four national parks, one biosphere reserve, 42 nature parks, nine protected landscape areas, 261 nature reserves, four strict nature reserves, seven protected sea territories. It has been planned to create new micro-reserves in eight bird species colony sites. In Latvia, 333 territories occupying more than 7.9 thousand km² or 12 % of the total land area are listed in the European Union network of protected areas Natura 2000: four strict nature reserves, four national parks, 239 nature reserves, 37 nature parks, nine protected landscape areas, seven protected sea territories, and 24 micro-reserves.

Environmental quality and protection

In 2015, 170 million euros were spent on research and management of environmental quality. The largest share of funding (69.7 million euros) was provided for waste treatment and disposal facilities. During the six recent years, the volume of municipal waste generated has grown. However, compared to 2014, in 2015 this indicator has diminished by 5.0 % or 101 thousand tons – from 2 014 thousand tons to 1 913 thousand tons, respectively. Waste generation per capita in Latvia is comparatively low. The indicator comprised 433 kg in 2015. Lower municipal waste generation per capita was recorded in Romania (247 kg) and Poland (286 kg), while the highest rates were observed in Denmark (789 kg), Cyprus (638 kg), and Luxembourg and Germany (625 kg).

The second greatest share of environmental protection funding (56.1 million euros) was spent on protection of water resources. The largest underground freshwater reserves are ensured by basins of rivers Daugava (223.2 million m³) and Gauja (41.5 million m³). In 2013, 155.4 million m³ of water were obtained from underground.

Funding for air protection and improvement of air quality (amounting at 13.7 million euros) has been priority of the whole world already for many years. Greenhouse gas (GHG) emissions is the key climate change indicator. In 2014, 11.71 million tons of GHG were emitted in Latvia. Energy and transport sector were among the greatest GHG sources in 2014, emitting 59 % of the total GHG volume. Since 1995, agricultural sector annually has been emitting approximately 2 million tons of CO₂ equivalent. Over the ten recent years, GHG emissions from this sector have grown by 25 %.

⁽¹⁾ Data of the Latvian Environment, Geology and Meteorology Centre.

⁽²⁾ Data of the Nature Conservation Agency.

Key indicators characterising forests in Latvia

(¹) 2014

Forest cover, %	50.0
Total forest land, thsd ha	3 575
Forest area, thsd ha	3 260
Forest stands, thsd ha	3 198
Coniferous trees	1 444
pine	860
spruce	584
Deciduous trees	1 754
birch	902
asp	257
black alder	183
grey alder	310
other deciduous trees	102
Forest area per capita, ha	1.6
Standing timer, mln m³	668
Coniferous trees	349
pine	224
spruce	125
Deciduous trees	318
birch	160
asp	63
black alder	39
grey alder	41
other deciduous trees	15
Standing timber per capita, m ³	333.8

Felled areas and forest regeneration (²)

	2014		2015	
	area, ha	standing timber, thsd m ³	area, ha	standing timber, m ³
Felling – total	108 401	11 679	98 389	10 627
final felling	43 420	9 460	39 946	8 676
thinning	33 467	1 468	31 964	1 306
reconstructive felling	48	8	51	11
sanitary felling	30 195	595	24 265	462
other felling	1 712	148	2 163	172
Forest regeneration	37 986	x	41 653	x
Of which seeding and planting	12 872	x	13 697	x

Municipal and hazardous waste (³)

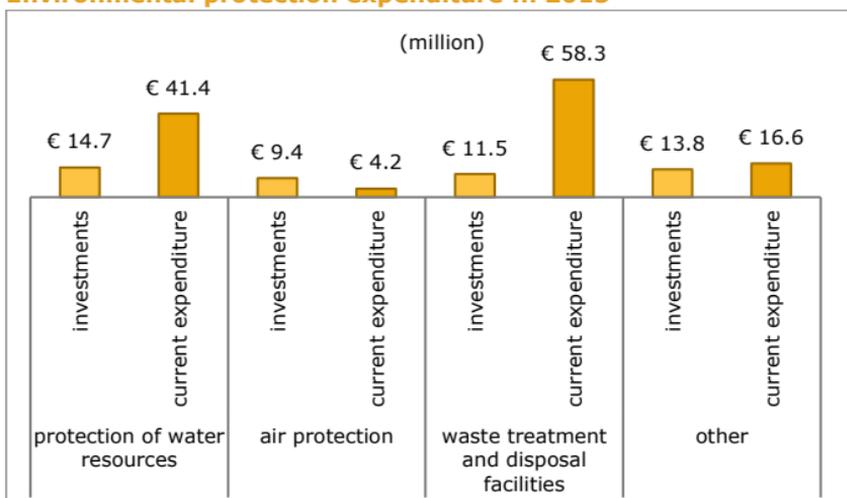
	Municipal waste		Hazardous waste	
	2014	2015	2014	2015
Generated, t	2 013 696	1 913 003	80 978	28 461
Collected, t	1 821 319	1 801 255	88 717	96 162
Processed, t	1 895 457	2 208 036	96 962	74 750
Landfilled, t	709 601	571 052	8 516	5 805
Exported, t	550 217	337 384	8 455	7 750

(¹) Data of the Ministry of Agriculture, Monitoring of Forest Resources.

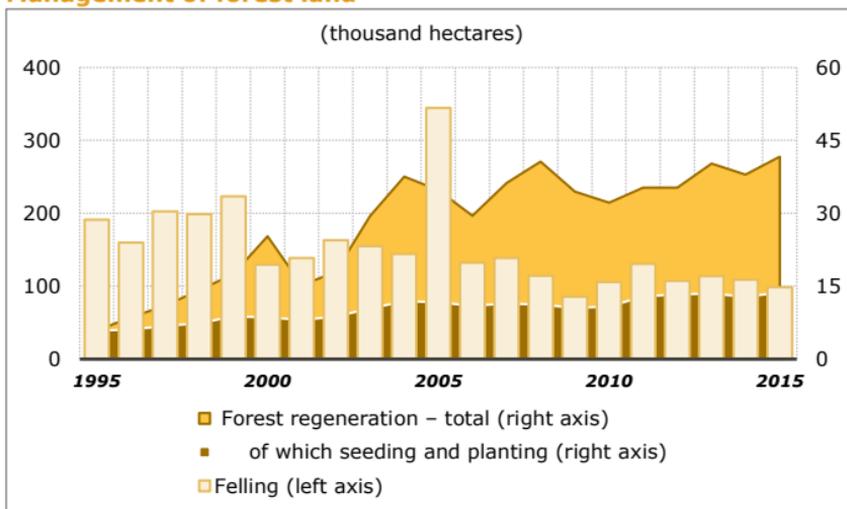
(²) Data of the State forest Service.

(³) Data of the Latvian Environment, Geology and Meteorology Centre.

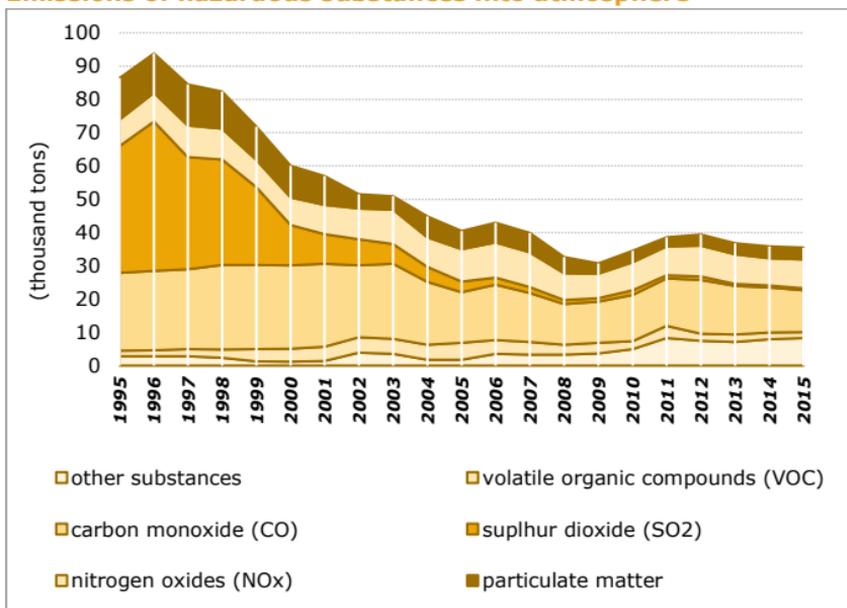
Environmental protection expenditure in 2015



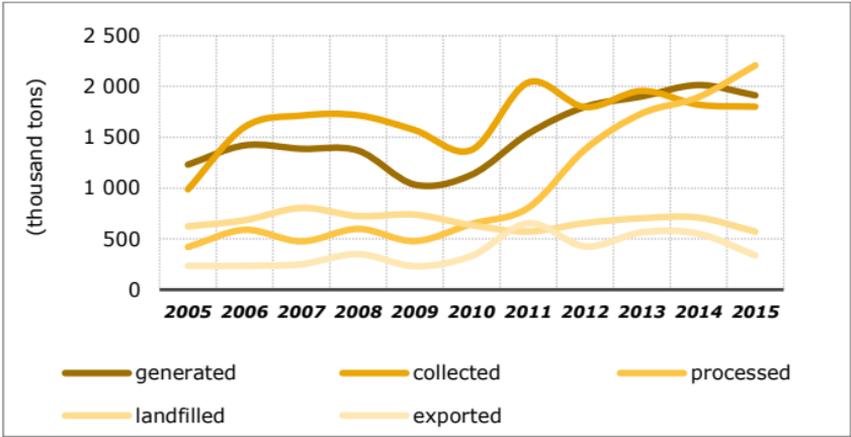
Management of forest land



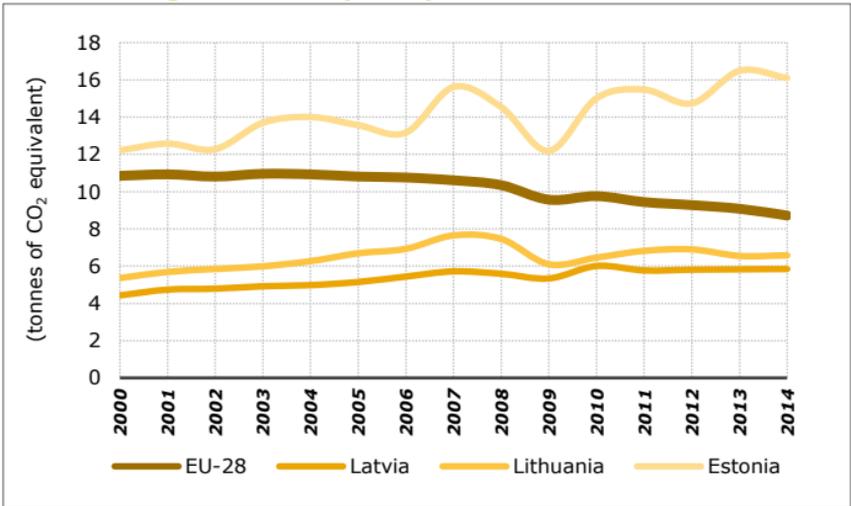
Emissions of hazardous substances into atmosphere



Municipal waste



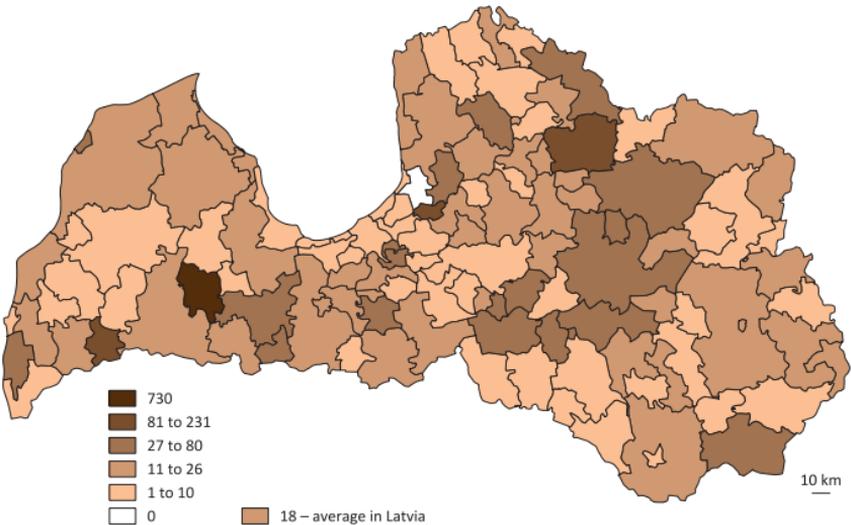
Greenhouse gas emission per capita



Data source: Eurostat (t2020_rd300) 15.03.2017

Emissions from stationery sources in 2015

(kg per capita)



29. Energy

In 2015, gross energy consumption almost did not change

In 2015, gross energy consumption constituted 183.9 PJ, which is 1.2 % less than in 2014. Over the last ten years, gross energy consumption has not changed notably: in 2005, gross energy consumption constituted 192.1 PJ, which is only 4.3 % more than in 2015.

Proportion of renewable energy resources increased

During recent years, changes have been recorded in the structure of gross energy consumption – the share of natural gas in the gross energy consumption has been reducing, while that of renewable energy resources has been increasing. Over the last ten years, proportion of natural gas has gone down by 4.5 %, comprising 25.1 % in 2015, whereas the share of fuelwood in the gross energy consumption has risen by 2.9 %, reaching 28.6 % in 2015. Compared to 2014, in 2015 the volume of pelleted wood produced grew by 14.1 %, while that of wood chips produced by 8.4 %. The bulk of pelleted wood was exported – in 2015, 28.0 PJ of pelleted wood were exported, which is 20.4 % more than in 2014. The renewable energy resources used in Latvia are local, therefore, as the gross consumption thereof increases, the Latvian energy dependence ⁽¹⁾ on imported energy resources is reducing – from 63.9 % in 2005 to 51.1 % in 2015.

Heat and electricity production (transformation sector) consumed 50.1 PJ of energy resources, and 38.2 PJ of energy were produced – 25.5 PJ of heat energy and 12.7 PJ of electricity. Heat and electricity production in Latvia is mainly based on a non-renewable resource – natural gas, the share of which is decreasing gradually: 81.0 % in 2010, 69.8 % in 2013, 64.3 % in 2014, and 63.5 % in 2015.

The proportion of energy produced from renewable sources is growing every year. Over a five-year period, the share of renewables consumed in transformation sector went up by 19.8 %, reaching 36.1 % in 2015. During the period from 2005 to 2015, i.e., over the ten recent years, the volume of electricity produced in wind power stations increased from 47 GWh to 147 GWh, while the volume of electricity produced in biomass (wood, wood waste) power stations and combined heat and power (CHP) plants grew from 6 GWh to 378 GWh, and in biogas CHP plants – from 36 GWh to 391 GWh. It may be assessed as a very positive trend, bearing in mind that the renewables used in Latvia are local energy resources: fuelwood, biogas and other biomass.

In 2015, final consumption of energy resources declined

In 2015, final consumption of energy resources amounted to 163.5 PJ, which is 1.9 % less than in 2014. Households are the greatest consumers of energy resources, consuming 30 % on average, followed by transport sector with 29 % consumed on average and industry sector with 22 % consumed on average. In 2015, increase in the final consumption of energy resources was recorded in industry, agriculture and transport sectors, whereas consumption in household sector declined by 10.7 %.

In 2015, transport sector consumed 49.0 PJ of energy resources, which is 5.8 % more than in 2014. Diesel is the main energy resource used in the transport sector, since the share thereof took 63.1 % in 2015. During the recent years, the share of consumption of liquefied petroleum gas has risen notably – from 1.0 PJ in 2010 to 2.7 PJ in 2015, showing a rise of 171.7 %. Consumption of renewable energy resources in transport sector is growing every year, and in 2015, consumption of biodiesel and bioethanol in transport sector constituted 1.0 PJ, which is 3.4 % more than in 2014. During the period from 2010 to 2015, consumption of gasoline in transport sector, in turn, fell by 30.3 %, reaching 8.6 PJ.

Gross energy consumption by key energy resource

	2014	2015
Total, TJ	186 155	183 930
Oil products	59 652	62 640
Solid fuel	2 508	1 961
Natural gas	45 386	46 096
Fuelwood	55 921	52 561
Electricity	16 021	13 783
Other fuels	6 667	6 889
Mean air temperature in autumn/winter, °C	2.9	4.2

⁽¹⁾ Energy dependence indicator is calculated as follows: net imports divided by gross energy consumption plus bunkering.

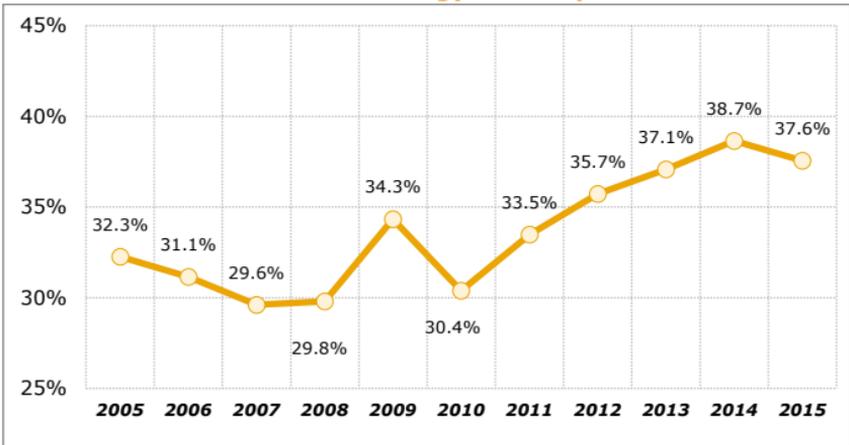
Energy consumption by sector

	2014	2015
Final consumption, TJ	166 604	163 498
Industry (incl. Construction)	36 433	36 766
Transport	46 295	48 979
Households	51 816	46 296
Agriculture, forestry, hunting, fishing	6 475	6 826
Other consumers	25 585	24 631

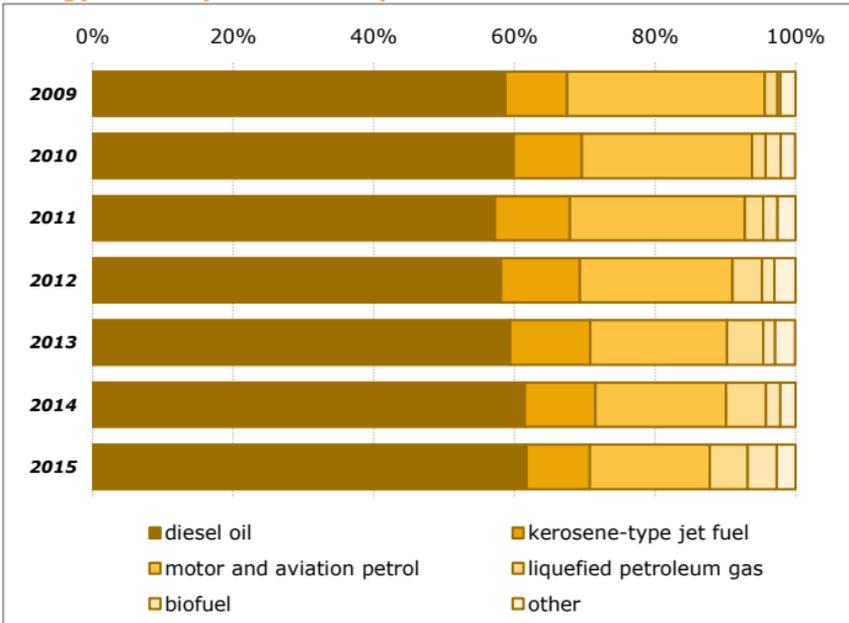
Electricity production

	2014	2015
Total, GWh	5 140	5 533
Hydropower plants	1 993	1 860
Combined heat and power plants (¹)	3 006	3 526
Wind power plants	141	147

Share of renewables in final energy consumption



Energy consumption in transport sector



(¹) Including electrical power plants.

30. Transport

Volume of freights carried in 2016 lowest since 2010

Data on freight traffic indicate the lowest volume since 2010, when the volume of freights carried amounted to 101.6 million tonnes. In 2016, as compared to 2015, the volume of freights carried by land and pipeline transport decreased by 8.1 million tonnes or 6.6 %. The most notable drop in the volume of freights carried was recorded in rail transport – of 7.8 million tonnes or 14.1 %. The volume of freights carried by road grew by 0.8 million tonnes or 1.3 %. The volume of oil products transported via the main oil products pipeline reduced by 1.1 million tonnes or 23.3 %.

Freight turnover decreases at ports, while increasing at the airport

In 2016, freights transported to and from Latvian ports accounted for 63.1 million tonnes, which was 9.3 % less than a year before. This is the lowest result since 2010, when freight turnover at ports amounted to 61.2 million tonnes.

There were 56.2 million tonnes of freights shipped from ports, which was 10.1 % less than a year before. The reduction in the volume of freights shipped was mainly caused by a decrease in the volumes of coal and oil products loaded onto ships – a drop of 26.8 % and 12.1 %, respectively. A drop was also recorded in the volume of shipped timber and wood – of 1.4 %. In turn, the volume of shipped grain and grain products grew by 6.8 %, mineral fertilisers – by 15.2 %, goods in containers – by 8.7 %, and roll on/ roll off – by 8.3 %.

The volume of freights unloaded at ports reduced by 1.7 %. This was mainly due to a 19.5 % drop in the volume of bulk cargo unloaded from ships. The volume of oil products unloaded at ports increased by 16.8 %, whereas the volume of received and unloaded goods in containers and roll on/ roll off remained at the level of the previous year: volume of goods in containers dropped by 0.5 %, whereas roll on/ roll off increased by 0.7 %.

In 2016, Riga International Airport received and shipped 19.5 thousand tonnes of cargo, which was 4.2 % more than in 2015.

Less passengers carried by land transport, more by sea and air transport

In 2016, 244.7 million passengers were carried by land passenger transport, which was 1.9 % or 4.7 million passengers less than in 2015. The number of passengers carried has not experienced significant changes since 2010, although it has been decreasing slightly since 2014.

Compared to 2015, the number of passengers carried by rail transport increased by 0.9 % in 2016, whereas the number of passengers carried by regular bus traffic lines decreased by 1.1 %, and the number of passengers carried by urban electric transport reduced by 3.7 %.

In 2016, 657.7 thousand passengers arrived at and departed from Latvian ports with ferries, which was 9.2 % more than a year before.

There were 71.4 thousand passengers who arrived at the Riga Passenger Terminal via cruise ships – 3.3 % more than in 2015.

In 2016, 5.4 million passengers arrived at and departed from the Riga International Airport, which was 4.6 % more than the year before. Out of them, 2.8 million passengers arrived at and departed from the Riga International Airport via Latvian airlines – 8.3 % more than during the previous year. The largest passenger turnover at the Riga International Airport was with German airports – 0.84 million passengers (increase of 8.5 %), British airports – 0.79 million passengers (9 % more) and Russian airports – 0.56 million passengers (22.8 % more).

Length of traffic ways at the end of the year

	2014	2015
Length of state roads	20 150	20 093
Length of municipal roads	30 439	30 183
Length of municipal streets	8 039	7 967
Length of state railway lines – total, km	1 860	1 860
of which broad gauge	1 826	1 826
of which electrified	251	251
Tramlines, km	157	157
Trolleybus lines, km	204	204

Number of vehicles at the end of the year

	2014	2015
Lorries (including road tractors), thsd	83 205	85 998
Buses, thsd	4 845	4 797
Passenger cars, thsd	657 799	679 048
Rolling stock owned by state railway:		
locomotives	206	204
railcars	104	104
passenger carriages (including carriages in electric and diesel trainsets)	238	238
freight wagons	7 011	6 525
Freight wagons owned by enterprises	5 409	5 363
Maritime transport (vessels with gross register tonnage of 100 or more)	172	175
cargo	21	28
fishing	60	61
passenger	10	8
tug	20	18
auxiliary	59	58
ice-breaker	1	1
Trolleybuses	257	269
Tramcars	274	266
Engine-powered aircraft	247	258

Freight traffic

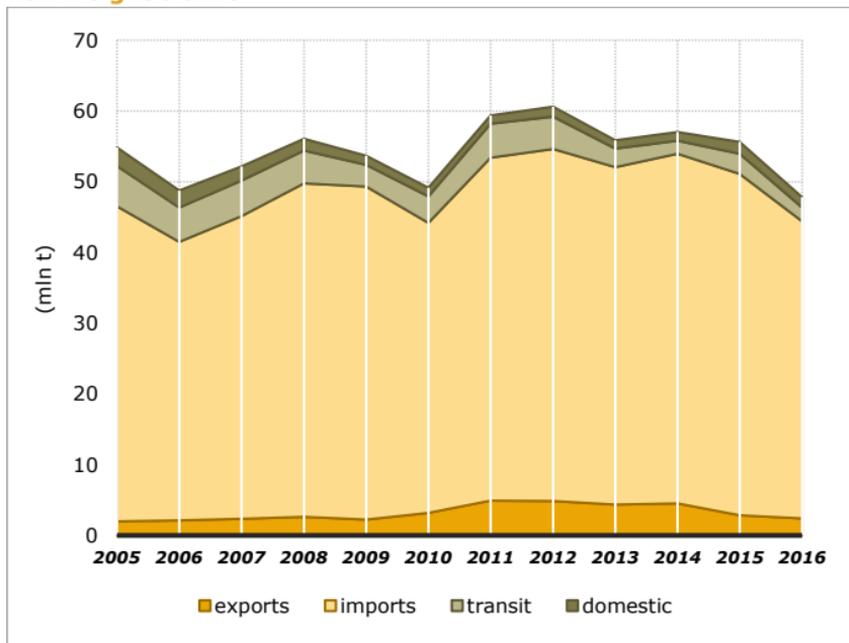
	2015	2016
Road transport – total, thsd t	62 569	63 389
National	48 517	48 422
International	14 052	14 967
Railway – total, thsd t	55 645	47 819
National	1 671	1 483
International	53 974	46 336
Maritime transport – total, thsd t	69 569	63 116
Shipped	62 551	56 217
Received	7 018	6 899
Riga International Airport – total (including mail), t	18 758	19 549
Shipped	11 136	11 506
Received	7 622	8 043

Passenger traffic

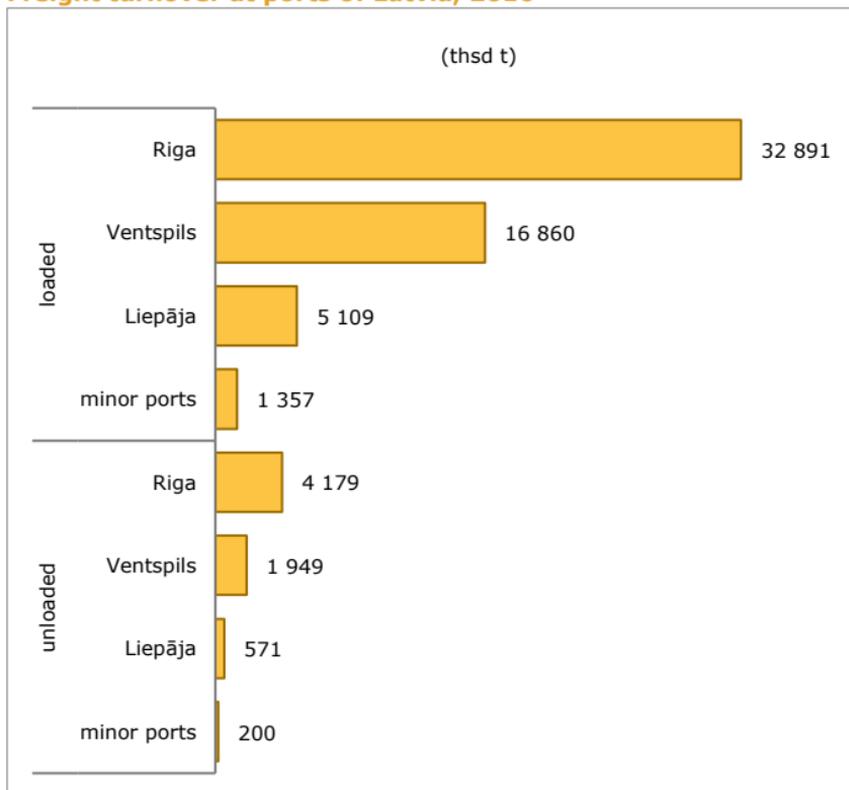
	2015	2016
Regular bus traffic – total, thsd pers.	144 375	142 813
National traffic	144 166	142 609
International traffic	209	204
Trolleybuses, thsd pers.	44 752	43 443
Trams, thsd pers.	43 119	41 175
Railway transport – total, thsd pers.	17 070	17 228
National traffic	16 885	17 071
International traffic	185	157
Port of Riga – total, thsd pers.	526	582
Arrivals by ferries	224	243
Departures by ferries	233	267
Arrivals by cruise ships	69	71

	2015	2016
Riga International Airport – total, thsd pers.	5 161	5 401
Arrivals	2 585	2 709
Departures	2 576	2 692

Rail freight traffic



Freight turnover at ports of Latvia, 2016





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