



LATVIA

State of Play – Winter 2017



MACROECONOMIC SITUATION

No imbalances (no In-Depth Review)

- Economic growth lower in 2016, but recovering from 2017 on
- Emigration and skills mismatches limit labour supply
- Inequality and poverty remain high
- A small external deficit is widening



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Some progress

- in labour market integration measures and in improving education and research

Limited progress

- in reducing the tax wedge on low-income earners
- in social welfare reforms and improving healthcare system
- in improving public governance



FISCAL SITUATION

- No excessive deficit
- Structural balance: taking into account the pension reform and health reform clauses, the required annual adjustment towards the medium-term budgetary objective is met
- Public debt below the 60% of GDP reference value
- Draft Budgetary Plan 2016 assessed as broadly compliant with the rules of the Stability and Growth Pact



POLICY HIGHLIGHTS

- Single development financing institution Altum manages public support for businesses

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>