

## On the Labour Force Survey in Q3 of 2022

**In Q3 of 2022, the number of employed persons increased by 2.6%**

According to the Labour Force Survey data of the Central Statistical Bureau (CSB), in Q3 of 2022, 899.5 thousand residents aged 15-74 were employed. Compared to Q3 of 2021, **the number of employed persons aged 15 to 74 increased by 2.6% or 22.6 thousand**, while the employment rate among the population in the corresponding age group rose to 64.6% - exceeding the previous year's level by 1.1 percentage points.

It should be noted that the increase in the number of employed persons continues to be largely determined by the low base effect and the number of employed persons still lags behind the pre-Covid-19 crisis level (in Q3 of 2022, the number of employed persons was 18.3 thousand or 2% less,

compared to Q3 of 2019). It should be noted that in 2021 the number of employed persons reached its lowest level since 2011 (864 thousand employed). As the economy recovers, labour demand also returns to pre-crisis indicators at a relatively faster pace.

Along with the increase in employment, the overall unemployment rate also continues to decrease. **In Q3 of 2022, the unemployment rate decreased to 6.9%**, which was 0.3 percentage points lower, compared to the corresponding period last year (7.2%). Overall, in Q3 of 2022, 66.4 thousand residents aged 15-74 were looking for a work, which is 2.2% (1.5 thousand) less, compared to Q3 of 2021.

**Overall, the recovery of activities in the labour market has a positive effect on the supply side of the labour market as well.** In Q3 of 2022, the level of economic activity of the population increased to 69.4%, which was 0.9 percentage points higher than in Q3 of 2021, thus contributing to the increase in the total labour supply. In Q3 of 2022, the number of economically active population aged 15-74 increased to 965.9 thousand, which was 21.1 thousand or 2.2% higher than in the corresponding period of 2021.

In Q3 of 2022, the dynamics of the economically active population 2022 has also been positively affected by the improvement of demographic trends - in Q3 of 2022, the number of citizens aged 15-74 increased by approximately 12.6 thousand, compared to Q3 of 2021.

Although the situation in the labour market has noticeably improved in the first three quarters of 2022, it should be noted that the improvements are generally slower than in the neighbouring countries. In Q3 of 2022, the employment rate in Latvia was 4.9 percentage points lower than in Estonia (69.5%), and 2.7% lower than in Lithuania (67.3%). Similarly, in Q3 of 2022, the unemployment rate in Latvia remained on average 1.3 percentage points higher than in Estonia (5.6%) and 1.2 percentage points higher than in Lithuania (5.7%).

It is anticipated that the number of employed persons in 2022 could increase by an average of 2.6% on an annual basis. Also, the unemployment rate will decrease to 7% on average per year.

