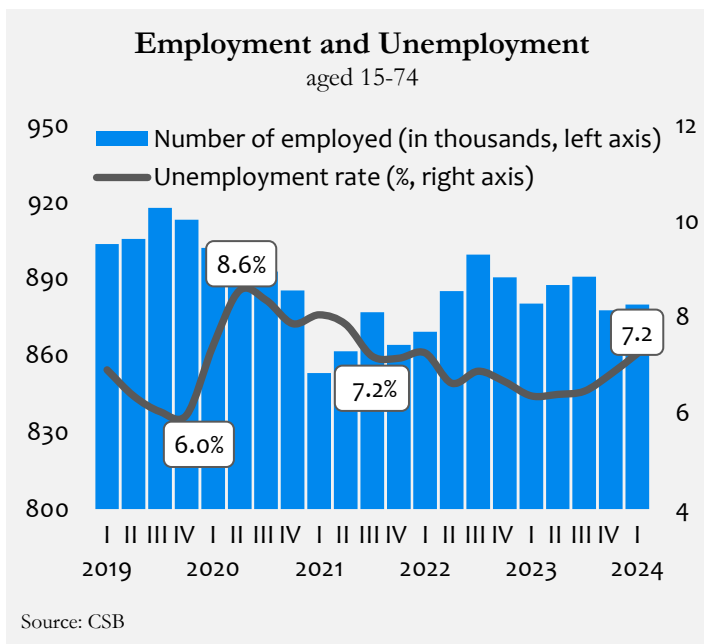


## On the Results of the Labor Force Survey in Q1 of 2024

**In Q1 of 2024, Latvia had the lowest unemployment rate among the Baltic states**

According to data from the Labor Force Survey by the Central Statistical Bureau (CSB), 879.9 thousand citizens aged 15-74 were employed in the first quarter of 2024. Compared to the same period in the previous year, the number of employed persons decreased by 0.1% or 0.5 thousand. However, the employment rate in this age group increased to 64%, surpassing the previous year's rate by 0.3 percentage points.

The decline in the number of employed persons year-on-year is influenced by the slowing economic growth rate and the decreasing working-age population. Despite this, Latvia's employment level remains lower than that of its neighbors: 4.4 percentage points below Estonia (68.4% in Q1 2024) and 0.7 percentage points below Lithuania (64.7% in Q1 2024).



Although labor market activity has decreased, the participation of citizens in the labor market continues to grow. The economic activity rate rose to 69.4% in the first quarter of 2024, an increase of 1.1 percentage points from 68.3% in the first quarter of 2023. The number of economically active individuals aged 15-74 was 948.6 thousand, up by 8.4 thousand from the previous year.

Given the decrease in labor demand and the increase in total labor supply, the overall unemployment rate in the first quarter of 2024 rose by 0.8 percentage points to 7.2%. There were 68.7 thousand individuals aged 15-74 actively seeking work, an increase of 8.9 thousand from the first quarter of 2023.

Despite the rise in unemployment and a generally lower employment level, Latvia had the lowest unemployment rate among the Baltic states in the first quarter of 2024. Latvia's unemployment rate was on average 0.6 percentage points lower than Estonia (7.8%) and 1 percentage point lower than Lithuania (8.2%).

Given the high uncertainty in external markets and the tense geopolitical situation, it is anticipated that overall labor market activity will remain limited on an annual basis. A modest increase in labor market activity may occur in the summer due to seasonal demand, but significant growth in new jobs and overall employment in 2024 is not expected. At the same time, factors on the supply side, such as the negative demographic trends and reduced total labor supply, will continue to impact the labor market, helping to maintain a relatively low unemployment rate. Overall, the unemployment rate is projected to average 6.3% in 2024, while the number of employed individuals may increase by an average of 0.1% compared to 2023.