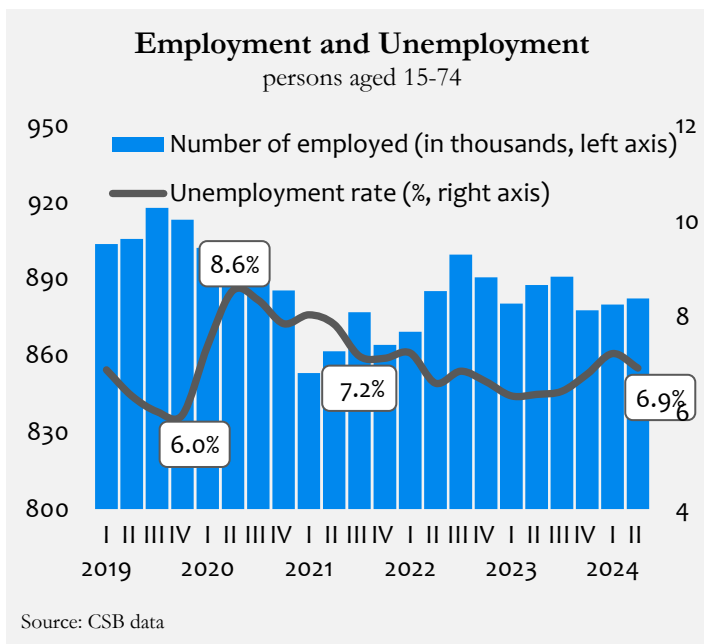


On the Results of the Labor Force Survey in Q2 of 2024

Unemployment rate drops to 6.9% in Q2 2024

According to the Central Statistical Bureau's Labor Force Survey data, in the 2nd quarter of 2024, 882.4 thousand people aged 15–74 were employed. Compared to the corresponding period of the previous year, the number of employed people decreased by 0.6%, or 5.2 thousand. Despite this decline, the overall employment rate in the corresponding age group remained stable at 64.3%, only slightly lower than the 64.4% recorded in the 2nd quarter of 2023.

The employment rate in Latvia remained lower than in its neighbouring countries—5.4 percentage points lower than Estonia (69.7% in the 2nd quarter of 2024) and 2 percentage points lower than Lithuania (66.3% in the 2nd quarter of 2024).



The annual decline in the number of employed persons was influenced by slower economic growth and the continued decrease in the working-age population.

Despite reduced labor market activity, participation in the labor market continues to increase. The economic activity rate rose to 69.1% in the 2nd quarter of 2024, up by 0.3 percentage points from 68.8% in the 2nd quarter of 2023. The number of economically active people aged 15–74 remained stable at 948.2 thousand compared to the same period in the previous year.

Due to lower labor demand, the unemployment rate in the 2nd quarter of 2024 increased by 0.5 percentage points year-on-year but decreased by 0.3 percentage points compared to the 1st quarter of 2024, settling at 6.9%. In the 2nd quarter of 2024, 65.8 thousand people aged 15–74 were seeking employment, an increase of 5.2 thousand compared to the 2nd quarter of 2023.

Despite rising unemployment and a lower employment rate, Latvia had the lowest unemployment rate among the Baltic countries in the 2nd quarter of 2024. The unemployment rate was 0.7 percentage points lower than Estonia's (7.6% in the 1st quarter of 2024) and 0.1 percentage points lower than Lithuania's (7% in the 2nd quarter of 2024).

Given the persistent uncertainty in external markets and geopolitical tensions, labor market activity is expected to remain subdued for the rest of the year. While a slight increase in activity is anticipated during the summer season, significant growth in new jobs and overall employment is unlikely in 2024. Additionally, the labor market is increasingly affected by supply-side factors, including negative demographic trends and a shrinking labor supply, which will likely keep unemployment at a low level. Overall, the unemployment rate for 2024 could average 6.8%, **while the number of employed people is projected to be 0.3% lower than the 2023 average.**