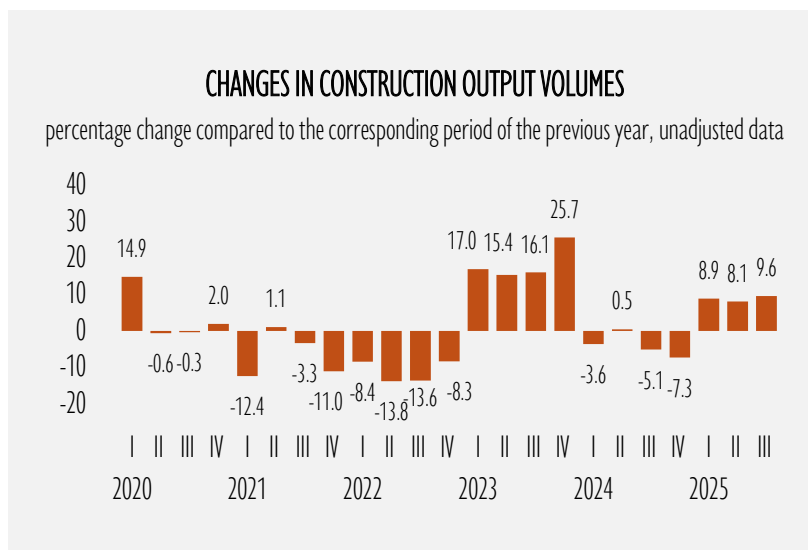


On the construction sector in the 3rd quarter of 2025

## Construction growth driven by infrastructure projects

**For the third consecutive quarter, an increase in construction activity has been observed in Latvia. This year, growth has been driven by more active construction of infrastructure projects.**

In the first three quarters of this year, construction output was 8.9% higher than in the three quarters of 2024 (based on unadjusted data at comparable prices). In the 3rd quarter, the increase was 9.6% compared to the corresponding period of 2024. As in previous quarters, the largest impact came from more active construction of infrastructure projects.



Across the main construction groups, differences in growth rates can be observed. In 2025, the main driver of sector growth has been civil engineering. In this segment, strong growth continued, while building construction and specialised construction activities increased at a much slower pace. Building construction output in the 3rd quarter of 2025 increased by 5.0% compared to the 3rd quarter of 2024. In this period, the segment of two- or multi-apartment residential buildings was the main contributor to the positive results in this group.

During this period, civil engineering maintained its position as the fastest-growing construction group, with a 22.4% increase. Overall, strong growth was recorded in all civil engineering segments. The largest contribution came from road and railway construction.

The volume of specialised construction activities in this period was 3.4% higher than in the 3rd quarter of 2024. Growth was mainly determined by such segments as electrical installation, pipeline installation, and other similar works.

In the 3rd quarter of 2025, 1,262 building permits were issued, which is 10.3% more than in the same period last year. A similar trend can be seen in area dynamics, with an increase of 31.4% in this period, largely driven by two- or multi-apartment buildings, as well as buildings intended for large public events, education or healthcare institutions.

The positive dynamics of the business sentiment indicator continued in the 3rd quarter of 2025. It is expected that inflows of investment will continue to have a positive impact on sector performance.