

On the Labour Force Survey Results for the 3rd Quarter of 2025

A sharp increase in labour market activity observed in the 3rd quarter 2025

The latest employment data show that labour market activity has been gradually recovering for the second consecutive quarter. Following a sharp improvement in the middle of the year, positive dynamics persisted in the third quarter, with both the number of employed persons and the economic activity of the population increasing.

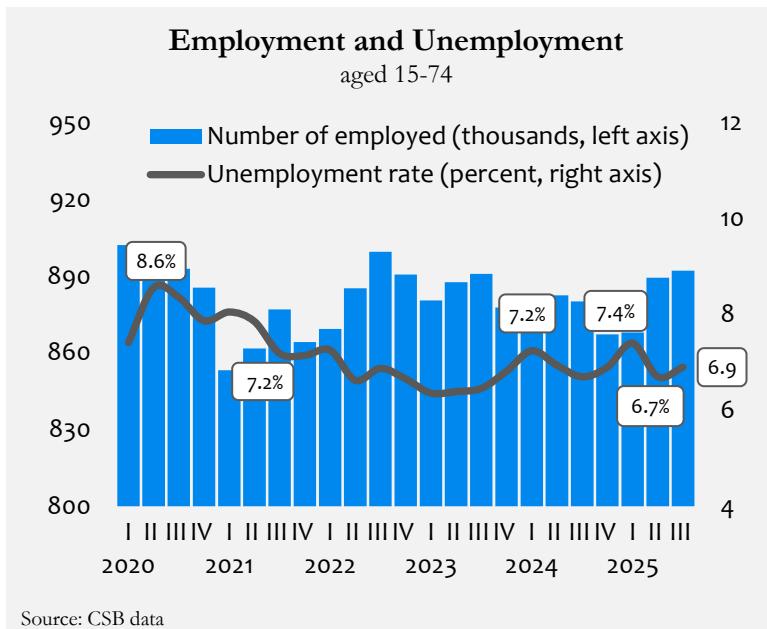
According to the Labour Force Survey data of the Central Statistical Bureau, in the 3rd quarter of 2025, the number of employed persons increased by 1,4% or 12 thousand compared to the 3rd quarter of 2024, which is the fastest year-on-year growth since the end of 2022. In comparison with the 2nd quarter of 2025, the number employed persons grew by 2,7 thousand or 0,3%.

The employment rate in 3rd quarter increased to 65,2%, which is 0,3 percentage points higher than in the previous quarter. Compared to the 3rd quarter 2024, the employment rate increased by 1 percentage point.

The unemployment rate in 3rd quarter of 2025 rose to 6,9%, which is 0,2 percentage points higher than in the 2nd quarter of 2025 (6,7%) and 0,2 percentage points higher than in the 3rd quarter of 2024 (6,7%). At the same time, the unemployment rate remains 0,5 percentage points lower than in the 1st quarter of 2025 (7,4%). Overall, the number of unemployed reached 66,2 thousand inhabitants aged 15-74, which is 2,5 thousand more than in the previous quarter. The slight increase in unemployment in the 3rd quarter of 2025 is mainly attributable to rising economic activity and an increase in the overall labour supply in the labour market.

In the 3rd quarter of 2025, the economic activity rate of the population continued to increase. It rose to 70%, which is 1,2 percentage points higher than in the 3rd quarter of 2024 (68,8%) and 0,4 percentage points higher than in the 2nd quarter of 2025 (69,6%). It should be noted that **economic activity has approached the level of 2020, which is the highest in the past five years**, In the 3rd quarter of 2025, the number of economically active inhabitants aged 15-74 amounted to 958,3 thousand, which is 15,2 thousand more than in the 3rd quarter to the previous year (943,1 thousand).

Despite still elevated economic uncertainty, the labour market in Latvia maintained a stabilisation trend in the 3rd quarter of 2025. Following significant improvements in the second quarter, both the employment rate and the economic activity of the population continued to grow in the thirs quarter, indicating overall labour market resilience. Although a slight increase in unemployment was observed in the 3rd quarter, this was largely related to supply-side factors and rising economic activity. In addition, the number of long-term unemployed increased, pointing partly to a rise in structural unemployment in the labour market. Therefore, despite the increase in overall labour supply, labour shortage remains an issue.



Source: CSB data

It is expected that the labour market situation will remain positive towards the end of the year, although a significant increase in labour demand in the final quarter is no longer anticipated. Overall, the number of employed persons in 2025 could increase by around 0,3% - approximately 3 thousand - compared to 2024, while the unemployment rate could fall to 6,7%.