

On the results of the Labour Force Survey in the 1st quarter of 2026

The number of employed persons increased by 0.4% in the 1st quarter of 2026

At the beginning of 2026, the labour market remained resilient, although labour demand became more cautious.

According to the Labour Force Survey data of the Central Statistical Bureau, in the 1st quarter of 2026, the number of employed persons increased by 0.4%, or 3.2 thousand, compared with the 1st quarter of 2025. Overall, 871.2 thousand persons aged 15 to 74 were employed in the 1st quarter of the year. At the same time, the employment rate increased to 63.8%, which was 0.6 percentage points higher than in the corresponding period of 2025.

Positive dynamics were also observed in youth employment, with the employment rate among young people aged 15–24 reaching 31.6%, exceeding the previous year's level by 3.6 percentage points.

Although labour demand remains resilient overall, uncertainty in the external environment and cost pressures are making employers more cautious about hiring new employees, and employment growth has slowed compared with the second half of 2025.

Alongside the increase in employment, unemployment also continues to decline. Compared with the 1st quarter of 2025, the unemployment rate decreased by 0.3 percentage points to 7.1%, while the number of jobseekers was 3.1 thousand lower. Overall, in the 1st quarter of 2026, 66.4 thousand persons aged 15 to 74 were seeking employment. In the 1st quarter, the unemployment rate in Latvia was broadly similar to that in Estonia (7.1%) and slightly lower than in Lithuania (7.4%).

In the 1st quarter of 2026, labour market participation remained stable, while economic activity increased compared with the previous year. At the beginning of 2026, the economic activity rate was 68.7%, which was 0.4 percentage points higher than in the 1st quarter of 2025. The number of economically active persons aged 15 to 74 in the 1st quarter of 2026 was 937.5 thousand, remaining at the previous year's level. At the same time, the total population decreased by approximately 2.4% over the year, while the population aged 15 to 74 declined by 0.6%, indicating broader demographic pressure on labour supply.

Moderate growth in labour demand is expected in the coming quarters. However, employment growth will continue to be constrained by the shrinking labour supply, structural mismatches in the labour market, as well as uncertainty in the external environment and cost pressures. **Overall, the number of employed persons is expected to increase by 0.1% in 2026, while the unemployment rate is expected to decline to 6.7%.**

