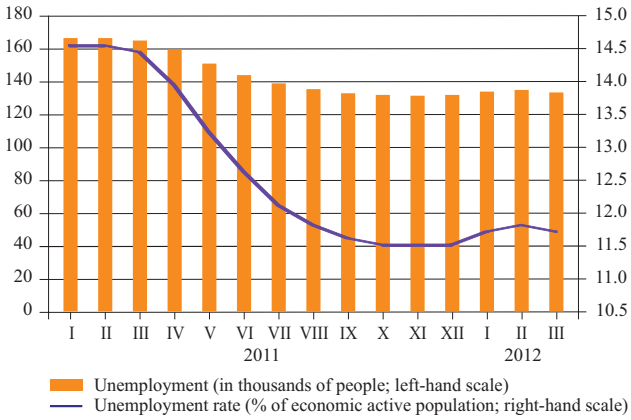
1. Highlights

Registered unemployment back on a downward path

Unemployment trends in Latvia



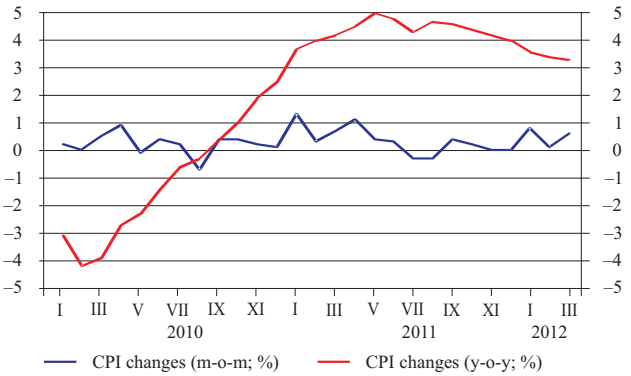
After the usual slight rise at the beginning of the year caused by seasonal factors, unemployment decreased again in March, reaching 11.7% of the economically active population. This has taken place on account of growing employment confirmed by all data sources. The latest Eurostat report confirms that the recovery of employment observed in Latvia was one of the fastest in the EU (albeit from a low base).

The number of unemployed persons is expected to continue declining for at least another six months, with the registered unemployment rate approaching a one-digit figure.

Annual inflation continues to decline

Inflation in Latvia

(%)

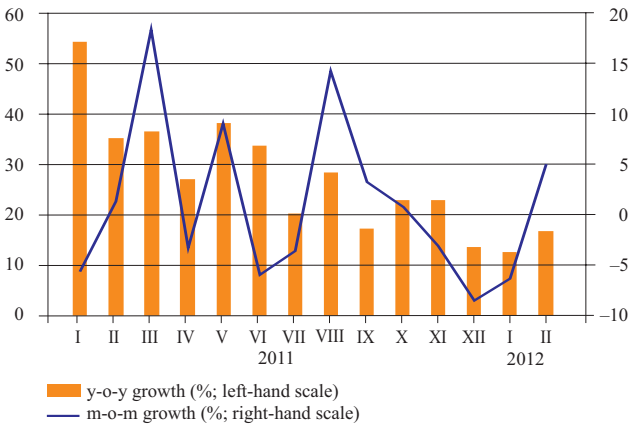


The 0.6% month-on-month rise in consumer prices in March 2012 was primarily the result of seasonal factors, oil prices and, in part, the anxiety observed in the food market.

Within a year, consumer prices in Latvia have risen 3.3%, which is almost a full percentage point lower than a year ago, and lower still than in February this year. The figure continues to reflect the impact of raising the electricity tariffs in 2011 and indirect taxes in the summer of 2011; therefore, the trend of decreasing annual inflation will be sustained until mid-year. Furthermore, an even more pronounced deceleration of inflation is expected during the second half of 2012.

Foreign trade grows in february

Growth of goods exports in Latvia



In February 2012, the turnover of Latvia's foreign trade in goods grew by 5.1% year-on-year. The export value of goods rose by 4.9% within a month, while the import value increased by 5.1%.

The annual growth rate of Latvian exports reached 16.7% in February, representing an increase in comparison with December and January. In the previous three years of economic recovery, Latvian businesses managed to improve their competitiveness considerably and the growth in manufacturing output in most sectors was a direct result of increased export sales. This successful experience of the last few years may be the main reason why Latvian businesses remain optimistic about their potential to expand export volumes this year as well even despite the negative external background.