



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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Fiscal discipline council
Potential and nominal GDP assessment working group
Minutes No 1 (18)

Rīga

1 February 2022

Chairman:

Member of Fiscal Discipline Council deputy chairman, Head of the Potential and nominal GDP assessment working group (GDP WG) – **M.Hansen**

Participants of the meeting:

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Chairwoman of Fiscal Discipline Council	I.Šteinbuka
Member of Fiscal Discipline Council	U.Kaasik
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	N.Malnačs
Fiscal Discipline Council macroeconomic expert	V.Zaremba
Fiscal Discipline Council fiscal risks expert	A.Migunovs
Fiscal Discipline Council lawyer-clerk	I.Jansone

Invited persons paragraph 1 and 2 of the agenda:

Head of Monetary Policy Department, the Bank of Latvia	U.Rutkaste
Chief Economist of the Macroeconomic Analysis Division, Monetary Policy Department, the Bank of Latvia	D.Paula
Member of Fiscal Discipline Council	I.Golsts
Member of Fiscal Discipline Council	M.Āboliņš

Taking minutes:

Meeting secretary

I.Jansone

The meeting starts at 16:30 and takes place in remote meeting mode via MS Teams.

M.Hansen opens the meeting

Head of the GDP WG opens the meeting and announces the agenda.

1 Discussions on main issues of the Latvian economy development and baseline scenario, incl. potential GDP growth and output gap assumptions

Reporter: U.Rutkaste, D.Paula

D. Paula reports on the main actualities in the Latvian economy in 2021, developments in the industrial and services sectors, the causes of inflation and assumptions about future inflation. In conclusion, the reporter presents the Bank of Latvia forecasts for 2022-2024 and assumptions of the economic potential and output gap rates.

U. Rutkaste comments on economic development scenarios in coming years and makes assumptions about development in various sectors.

Participants discussed the main risks of economic development in the coming years.

Decision:

1.1 To take note of the Bank of Latvia presentation on the baseline scenario, potential GDP and output gap in Latvia's economy.

M.Hansen votes for;

Ü.Kaasik votes for;

I.Šteinbuka votes for.

2 Discussions on Latvian economy alternative development scenarios

Reporter: U.Rutkaste

Notes the main risk factors for further economic development, incl. inflation risks, political risks, labour market risks, etc.

Participants discussed the economic development scenarios in context of identified risks.

Decisions:

2.1 To take note of the Bank of Latvia information on the Latvian economy alternative development scenarios.

M.Hansen votes for;

Ü.Kaasik votes for;

I.Šteinbuka votes for.

Meeting ends at 18:00.

Head of the working group

M.Hansen

Meeting secretary

I.Jansone