

The Ministry of Welfare: The registered unemployment rate in 2019 will be less than six percent

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The Ministry of Welfare forecasts a further decrease in unemployment with the unemployment rate reaching 5.9% in 2019. A more significant reduction in registered unemployment is expected in the second and third quarters, which will be considerably influenced by the increase in seasonal employment opportunities during this period. At the end of 2019, however, the registered unemployment rate could drop even to 5.7%, with the number of registered unemployed falling to 50 thousand in the autumn. Demographic factors will also have an impact on the reduction of unemployment, as the working population as a whole is decreasing.

Overall, the labour market situation is expected to improve in 2019 as well – although volatile, the situation in export markets is still relatively favourable, household consumption has a tendency to increase, availability of EU funds and activity in the construction sector will also contribute to growth of employment and creation of new jobs, decreasing unemployment and rising income for employees.

At the same time, in 2019, many employers will have to think about making their businesses more efficient and boosting productivity through introduction of automation and other solutions. Similarly, when competing for work force, one must be aware that investments in education and motivation of the employees, as well as in maintaining safe, healthy and motivating working environment, will become increasingly important in order to retain and attract employees.

Statistics show that at the end of 2018, 59 thousand unemployed were registered with the State Employment Agency and the registered unemployment rate was 6.4%. The lowest registered unemployment rate at the end of 2018 was in Riga (3.9%) and Riga region (4.2%), but the highest - in eastern part - Latgale (14.7%).

Data show that the number of unemployed in Latvia has been on a decreasing trend already for several years. The pre-crisis lowest unemployment rate was recorded in May 2008 - 4.8%, when the number of unemployed in the country was 52 thousand. While during the crisis, the highest unemployment rate was recorded in March 2010 reaching 17.3% and there were 194 thousand unemployed registered.

Compared to employment rates in Estonia, Lithuania and Scandinavia, in Latvia it is lower. This however means that the country still has the potential to attract economically inactive people to the labour market.

<https://www.lm.gov.lv/en/article/ministry-welfare-registered-unemployment-rate-2019-will-be-less-six-percent>