



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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Fiscal discipline council
Potential and nominal GDP assessment working group
Minutes No 2 (15)

Rīga

11 June 2020

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:

Chairwomen of Fiscal Discipline Council	I.Šteinbuka
Member of Fiscal Discipline Council	U.Kaasik
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	I.Golsts
Fiscal Discipline Council macroeconomic expert	V.Zaremba
Fiscal Discipline Council fiscal risks expert	N.Malnačs
Fiscal Discipline Council economist	I.Jansone

Invited persons paragraph 2 and 3 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

Taking minutes:

Fiscal Discipline Council macroeconomic expert V.Zaremba

The meeting starts at 14:00 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. Latvian economy baseline scenario

Reporter: D.Paula, U.Rutkaste

D.Paula and U.Rutkaste reports on the GDP forecast update (short to medium term). Introduces the participants to the latest trends in macroeconomic indicators and macroeconomic forecasts for the period 2020-2022. The forecast is made in three scenarios. The baseline scenario and the optimistic scenario assume that the negative impact of COVID-19 on the economy will diminish after the first half of 2020, while the negative scenario envisages longer constraints and thus a slower economic recovery period.

Discussions:

Discussions on the economy development scenarios including issues related to GG debt forecasts, output gap assessment and inflation assessment.

Decisions:

1.1 To take note of the Bank of Latvia information of the GDP forecast update, the potential GDP and the output gap.

M.Hansen votes for;
I.Šteinbuka votes for.

Meeting ends at 15:20.
11th of June 2020

Head of the GDP working group

M.Hansen

Meeting secretary

V.Zaremba