

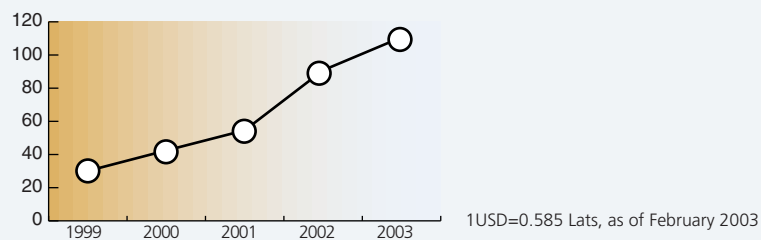
D

efense budget of Latvia

Latvia has increased its defense budget consistently for the last four years. In the year 2003 it has reached 2% of GDP and Latvia has committed itself to sustain the present level of defense expenditures at least until 2008.

Latvia's defense budget is rapidly growing

Defense expenditures for the year 2003 constitute 2% of the GDP or 110.68 million Lats. That is a 22%, or 19.87million Lat, increase compared to 2002. Since 1999, the defense expenditure has grown nearly 240%. Close consultations with NATO and Allied countries on budgetary and defense planning issues have led to the smooth assimilation of the budgetary allocations.



In 2002, the Parliament introduced amendments to the Law on Defense Financing stipulating that the defense budget will be maintained at the level of 2% of GDP for the period up to the year 2008. Positive and stable macroeconomic developments and macroeconomic affordability provides a solid basis for the sustainability of defense spending for coming years.

Main priorities for the defense budget of 2003

- Development of forces to be contributed to NATO operations
- Increase of administrative capacity to provide full-fledged Latvia's participation in NATO
- Improvement of quality of life for military personnel



At the reading-room
/Photo: Einārs Binders,
Ministry of Defence of
the Republic of Latvia/