



GOVERNMENT

- ◆ On 23 August 2018, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (**MONEYVAL**) **published the 5th Round Mutual Evaluation Report of Latvia (the MONEYVAL Report)**. The MONEYVAL Report analyses the level of technical compliance with the 40 FATF Recommendations and the effectiveness of Latvia's AML/CTF system as well as providing recommendations on how Latvia's AML/CTF system can be improved. Latvia received six "compliant" ratings, 24 "largely compliant" ratings and ten "partially compliant" ratings. Latvia did not receive any "non-compliant" ratings. Relevant beneficial ownership information and preventing proliferation financing were considered to have low levels of effectiveness, with eight other areas having moderate levels of effectiveness. **The MONEYVAL Report concludes that Latvia will be subject to enhanced follow-up procedures. A number of measures have already been taken**, including the establishment of the AML/CTF Plan and measures aimed at reducing risk within the financial sector, increasing transparency regarding beneficial ownership information and amending laws relating to sanctions. **A detailed action plan will be approved on 11 September** this year, during a meeting of the Financial Sector Development Council and it will supplement the government's existing action plan. **Latvia is to report to MONEYVAL at the last plenary meeting in 2019 about the implementation of its recommendations.** (RĪGA, Aug 23, [Cabinet of Ministers](#) / [Council of Europe](#))

BUDGET

- ◆ **During the first seven months of this year the Latvian general government consolidated budget accumulated a EUR 678.1 million surplus, which is the largest ever recorded in Latvia and EUR 384.5 million larger than a year ago.** In the seven months of 2018, budget revenue totaled EUR 6.49 billion and expenditure EUR 5.82 billion. (RĪGA, Aug 24, BNS/ Ministry of Finance)

MACROECONOMICS

- ◆ According to the first estimates from Eurostat, **production in Latvia's construction sector in the 2nd quarter of 2018 increased 31.7 % as compared to the same quarter in 2017** which was the 1st biggest rise across European Union member states. Compared to the 1st quarter of 2018, construction output increased 3.9 % in Latvia. (RĪGA, Aug 20, Eurostat)
- ◆ **Compared to this past June, the level of producer prices in Latvian industry rose 0.9 % in July.** Prices of products sold on the domestic market went up 1.3 % and prices of exported products rose 0.5 %. Over the month, the most significant impact on producer prices was made by the price increase in manufacture of wood and of products of wood and cork. (RĪGA, Aug 21, [CSB](#))

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