



BANKING SECTOR

- ◆ The Financial and Capital Market Commission has summarised data about the Latvian banking sector results regarding cleaning of the customer base from risky shell companies which match two of the defined shell companies features simultaneously. Already earlier, when reviewing the customer base, especially since the new 2018 regulation taking effect, **the number of such companies in the customer base of Latvian banks had dynamically decreased, and within the set term (i.e. by 7 July 2018) the balance of deposits of these customers formed the proportion of 0.03 % in the total amount of deposits.** As of the end of July, the proportion of deposits of foreign residents, including from the EU, in Latvian banks was 21%. The geographical structure of the deposits shows that domestic deposits dominate in Latvia – 79 %. (RĪGA, Aug 2, [FCMC](#))

MACROECONOMICS

- ◆ Calendar adjusted data (at constant prices) show that, **compared to June 2017, in June 2018 total retail trade turnover rose by 5.6 %.** Turnover of retail trade in food products increased by 6.4 %, turnover of retail trade in non-food products, except for retail sale of automotive fuel, rose by 5.1 %. (RĪGA, July 30, [CSB](#))
- ◆ Flash estimate of the Central Statistical Bureau shows that, **compared to the 2nd quarter of 2017, in the 2nd quarter of 2018 the gross domestic product (GDP) value increased by 5.1 % (seasonally and calendar non-adjusted data).** Compared to the 1st quarter of 2018, GDP rose by 0.8 %. The upward pressure on the GDP value was exerted by the output increase in construction (of 32 %), retail trade (6 %) and industry (of 2 %). (RĪGA, July 30, [CSB](#))
- ◆ **In June 2018, the unemployment rate in Latvia was 7.4 %.** (RĪGA, July 31, [Eurostat](#))
- ◆ **In June 2018, Latvian producer prices climbed 4.7 % against the same month a year ago, which is steeper than on average in the EU.** Across the EU, producer prices went up 4.4 % and in the Eurozone the annual increase was 3.6 % in January. (RĪGA, Aug 2, [Eurostat](#))
- ◆ **Compared to June 2017, in June 2018 industrial production output increased by 0.4 % (according to calendar adjusted data at constant prices).** Production output rise was recorded in manufacturing (of 2.1 %) and mining and quarrying (16.1 %), while as the amount of electricity produced declined industrial production output in electricity and gas supply fell by 8.9 %. (RĪGA, Aug 3, [CSB](#))

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