



RATING

- ◆ **On Friday, March 23, the credit rating agency S&P Global reaffirmed its 'A-' long-term foreign and local currency sovereign credit ratings on the Republic of Latvia. The outlook remain positive.** In S&P Global view, the ongoing situation in Latvia's financial system will not result in a fiscal cost for the government, while developments at ABLV Bank generally highlight the reputational risks surrounding the business model of Latvian banks serving non-resident clients. S&P Global outlines that despite the positive short-term economic dynamics, Latvia still faces longer-term challenges. These primarily stem from Latvia's low fertility rates and high outward migration, which could hinder growth in the future. (RĪGA, Mar 26, [Treasury](#))

MACROECONOMICS

- ◆ **In January 2018, Latvian exports rose 18 % against the respective period in 2017.** It is one of the highest export growths y-o-y compared to other European Union member states. (RĪGA, Mar 19, [Eurostat](#))
- ◆ **In the beginning of March 2018, tax debts in Latvia totaled EUR 1.296 billion, up 0.4 % from February, according to the information released by the State Revenue Service.** This total includes current and suspended debts as well as debts with extended payment deadlines. Tax debts to the central government basic budget stood at EUR 825.692 million, down 0.1 % m-o-m, tax debts to local government budgets came to EUR 307.393 million, up 0.3 %, while overdue social security contributions equaled EUR 163.148 million, up 3.2 %. (RĪGA, Mar 20, LETA)
- ◆ **The average level of producer prices in the Latvian industry in February this year increased 3.4 % compared to February 2017.** Prices of products sold on the domestic market rose by 3.9 % year-on-year, while prices of exported products went up by 3 %. In February 2018, producer prices in the Latvian industry rose by 0.5 % compared to January 2018. (RĪGA, Mar 21, [CSB](#))

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