



RATING

- ◆ **On Friday, September 21, international credit rating agency S&P Global upgraded Latvia's credit rating to 'A' from 'A-' and assigned stable rating outlook.** Credit rating upgrade reflects potential of Latvia's economy to achieve strong growth, averaging above 3% annually over the next four years. Latvia's rating upgrade is supported by strong growth in construction sector, investment flow and successful fiscal policy with low budget deficit. Taken measures to reduce non-resident deposits in the banking sector do not pose a threat to Latvia's financial system stability and there is no major fiscal impact. Agency points out that significant decrease in non-resident deposits has reduced external vulnerabilities, such as Latvia's short-term external debt. (RĪGA, September 21, [Treasury](#))

FINANCING AND DEBT

- ◆ **On Wednesday, 26 September a government domestic securities buyback auction will take place. The Treasury plans a buyback auction of Latvian government debt securities worth up to EUR 180 million in a competitive multi-price auction.** The competitive multi-price auction will buy back debt securities issued on January 10, 2016, and in additional issues with a maturity term on February 12, 2019. The Treasury has issued securities worth EUR 230 million with that particular maturity term. Latvian government securities auctions are organized via Nasdaq Riga. (RĪGA, September 21, LETA, [Treasury](#))

MACROECONOMICS

- ◆ Seasonally non-adjusted data of the Central Statistical Bureau (CSB) show that, **compared to the 2nd quarter of 2017, in the 2nd quarter of 2018 hourly labour costs rose by 76 cents or 9.5 %, reaching EUR 8.82.** Seasonally adjusted data show sharper rise – of 11.5 % and compared to the 2nd quarter of 2017, hourly labour costs increased in all economic activities. The sharpest growth was recorded in other service activities - activities of public, political and other organizations, repair of computers and personal and household goods, washing and cleaning, hairdressing and other beauty treatment, funeral and related activities. (RĪGA, September 17, [CSB](#))
- ◆ Data of the CSB show that in the **2nd quarter of 2018 there were 24.5 thousand job vacancies in Latvia, which is 7.8 thousand vacancies or 46.6 % more than in the 2nd quarter of 2017.** In public sector there were 7.2 thousand and in private sector 17.3 thousand job vacancies. Over the year, the number of job vacancies in private sector grew by 6.7 thousand or 63.9 %, while in public sector by 1.0 thousand or 16.8 %. (RĪGA, September 18, [CSB](#))
- ◆ Data of the CSB show that, **compared to July, in August 2018 level of producer prices in the Latvian industry rose by 1.0 %.** Level of prices of products sold on the domestic market grew by 1.9 %, but of exported products – went up by 0.1 %. Prices of products exported to euro area countries increased by 0.2 %, but prices of products exported to non-euro area countries remained the same. (RĪGA, September 21, [CSB](#))

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