



BUDGET

- ◆ **On Thursday, 6th December, Saeima approved temporary budget** and passed in the final reading amendments to the Law on Budget and Financial Management intended to resolve the issues arising from a delayed adoption of the 2019 state budget. The Finance Ministry had proposed changing the rules for a temporary budget, namely, scrapping the rule that budget expenditure in January may not exceed one-twelfth of the previous budget's expenditure. Instead, the ministry proposes to stipulate that in the absence of the 2019 budget, **next year's budget expenditure cannot exceed the expenditure planned for the respective year in Latvia's medium-term budget framework.** (RĪGA, Dec 6, LETA)

FINANCING AND DEBT

- ◆ **On Wednesday, 5th December, domestic government T-Bonds were offered due on 2 November, 2023. Offered securities with the total nominal value of 16 million EUR were sold in a competitive multi-price auction.** The total demand reached 73.15 million EUR and exceeded the amount offered 4.57 times. The weighted average yield rate was 0.574 %. **The T-Bonds due on 2 November, 2023 with the total nominal value of 4 million EUR were sold in a non-competitive fixed rate auction.** Total demand reached 20 million EUR. (RĪGA, Dec 5, [Treasury](#))

MACROECONOMICS

- ◆ Data compiled by the Central Statistical Bureau (CSB) show that, **compared to October 2017, in October 2018 industrial production output reduced by 1.9 % (according to calendar adjusted data at constant prices).** The decline was caused by the output reduction in electricity and gas supply (of 17.7 %), however rise was recorded in manufacturing (of 3.3 %) and mining and quarrying (of 6.3 %). (RĪGA, Dec 4, [CSB](#))
- ◆ **In October 2018, Latvian retail sales increased by 2.5 % against the same month last year,** which is faster than in the EU on average. (RĪGA, Dec 5, [Eurostat](#))
- ◆ **Compared with the 3rd quarter of 2017, Latvia showed the 3rd highest growth of gross domestic product growth in EU in 3rd quarter of 2018 and was 5.3 %.** (RĪGA, Dec 7, [Eurostat](#))

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