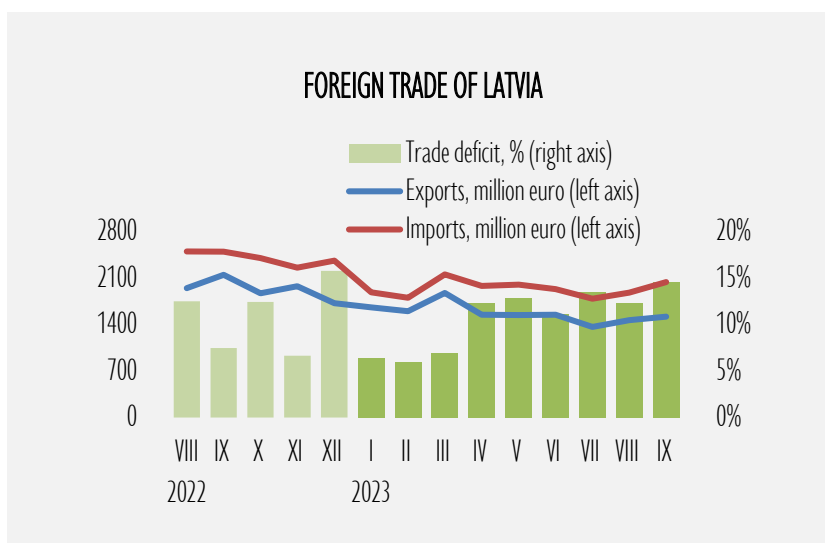


## On Latvia's Foreign Trade in September 2023

## In September 2023, exports and imports of goods continued to decrease on an annual basis

According to data from the Central Statistical Bureau (CSB), in September 2023, the value of goods exports decreased by 29.2% on an annual basis, marking the sixth consecutive month of decline. Similarly, goods imports decreased by 18.3% compared to the previous year, marking the seventh consecutive month of decline. The trade deficit in September was 14.6%. The year-on-year decrease in export value is partly attributed to a decline in export prices.

However, recent trends indicate that the decline in exports is stabilizing, and since July, both export and import volumes have been slowly increasing.



In September, the export value of mineral products continued to decrease year-on-year. Significant decreases were observed in the export of grain crops and wood and its products. Exports of mechanisms and devices, other chemical products, iron and steel products, and electrical devices and equipment decreased more moderately. On the other hand, the export value of iron and steel, oilseeds and cereals, flour, and dairy products increased.

Exports to **EU countries** decreased by 27.3% on an annual basis in September. The value of exports decreased more rapidly to certain countries, including Lithuania (mineral products), the Netherlands (mixed chemical products, oilseeds), Finland, Estonia (both mineral products), and Sweden (wood). Conversely, exports to Austria increased, driven by electrical devices and equipment.

Exports to **CIS countries** also decreased by 20.5% in September. Exports to Russia declined, particularly in beverages, electrical appliances and equipment, and mechanisms and appliances. Notably, goods not included in the sanctions list, such as beverages, pharmaceutical products, clothing and accessories, perfumes, and cosmetics, continued to be exported to Russia. However, there was a slight increase in exports to Kyrgyzstan, primarily in mechanisms and devices and mineral products.

Export volumes to **other countries** decreased significantly by 36.5% in September. Within this group, the value of exports decreased more rapidly to countries such as Saudi Arabia, South Africa, and Israel (mainly cereals). On the other hand, exports increased to Kenya, Mozambique (both cereals), and the United Arab Emirates (mechanisms and devices, optical devices, and hardware).

In terms of imports, the value of mineral product imports continued to decrease significantly in September. Imports of machinery and devices, electrical appliances and equipment, plastic products, and land vehicles decreased more moderately. Conversely, the value of imports of aircraft and their parts, as well as fodder, increased.

Overall, for the first three quarters of 2023, the export of goods in actual prices was 10.6% lower than in January-September 2022, while the import of goods decreased by 10.5% during the same period. Export growth is expected to continue being impacted by weak external demand and geopolitical uncertainty in the coming months. In this situation, the ongoing search for new supply opportunities and markets for goods.