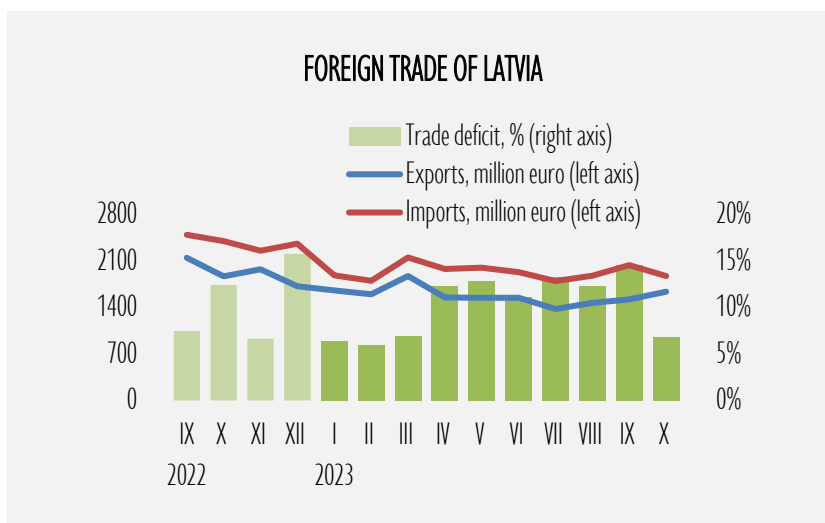


## On Latvia's Foreign Trade in October 2023

**In October 2023, exports and imports of goods continued to decrease year-on-year**

According to data from the Central Statistical Bureau (CSB), the value of goods exports in October 2023, expressed in actual prices, experienced a 12.5% decrease on an annual basis. It is noteworthy that the rate of export depreciation showed a significant moderation compared to the preceding two months. The value of goods imports in October this year recorded a substantial 21.9% decline compared to the same period a year ago, resulting in a trade deficit of 6.8%. The year-on-



year drop in export value is partly attributed to the decrease in export prices. Recent trends indicate a deceleration in the rate of export decline, with export volumes slowly increasing on a monthly basis since July.

In October, for the eighth consecutive month on an annual basis, the export value of mineral products witnessed a significant decrease, largely influencing the overall drop in export value. Export reductions were also notable in the categories of wood and its products, as well as electrical appliances, equipment, and mechanisms. Conversely, there was an increase in the export value of cereal crops, oilseeds, cereals, flour, dairy products, and fertilizers.

Exports to **EU countries** declined by 12.3% year-on-year in October. Notably, exports decreased more rapidly to certain countries such as Finland, Lithuania, and Estonia (primarily due to mineral products), Sweden (wood), and Germany (wood, vegetables, and roots). However, exports increased to Spain (fodder, vegetables, and roots), Poland (iron and steel, vehicles, and their parts), and the Netherlands (cereals).

Exports to **CIS countries** also saw a decline of 16.8% in October, driven by decreased exports to Russia (beverages, mechanisms, and appliances). Notably, almost half of all exports to Russia comprised beverage exports. However, pharmaceutical products, clothing and accessories, perfumes and cosmetics, and other goods not subject to sanctions continued to be exported.

Exports to **other countries** decreased by 11.4% in October, with notable declines in exports to the USA (wood, electrical appliances, and equipment), Turkey (iron and steel), Ukraine (mineral products, aircraft, and their parts), Morocco (cereals), and Norway (mixed chemical products, furniture, printing products). Conversely, there was an increase in the export value to Tanzania (fertilizers, cereals), Angola, South Africa, Mali, and Senegal (all cereals).

Similarly, the decrease in the value of imports in October was primarily driven by a decline in the value of mineral product imports for the ninth consecutive month. Imports of machinery and devices, electrical appliances and equipment, fertilizers, and wood and its products also decreased. Conversely, there was an increase in the value of imports of weapons and ammunition, food industry goods, and vegetable products.

In the first ten months of 2023, goods exports in actual prices were 10.7% lower than in January-October 2022, while goods imports decreased by 11.7% during the same period. The growth of exports is expected to remain weak in the final months of 2023, with an anticipated return to growth in the first months of 2024. Weak external demand and geopolitical uncertainty will likely continue to impact export growth, emphasizing the importance of actively seeking new supply opportunities and markets for goods.