

## On Foreign Trade in Latvia in August 2024

**Foreign trade activity remained limited in August 2024**

According to the Central Statistical Bureau, in August 2024, the annual value of exports of goods at current prices decreased by 2.1%, while the import value declined more sharply, by 8.5%. Consequently, the trade balance in August improved year-on-year, reaching -10.4%.

In August, the annual export value of iron and steel, chemical products, electrical appliances and equipment, furniture, as well as machinery and devices, declined more significantly. On the other hand, exports of cereals, oilseeds, mixed food products, and milk and dairy products increased.

The sharpest decline in export value was observed in the **CIS countries**, dropping by 12.1%. Exports to Russia fell significantly, by 12.5% or EUR 12 million, mainly due to reduced exports of pharmaceutical products and machinery, while exports to Kyrgyzstan (plants and roots) also decreased. In contrast, exports to Kazakhstan (electrical appliances, beverages) increased. A large share of exports to Russia continues to consist of beverages, alongside footwear, clothing, accessories, pharmaceutical products, and other goods not subject to sanctions.

Exports to **EU countries** experienced a small decrease of 1.5% over the year. Export values grew notably to the Netherlands (cereals) and more moderately to Germany (mineral products, cereals) and France (cereals). However, export values decreased to Lithuania (mixed chemical products, mineral products), Sweden (mixed chemical products, iron, and steel products), Estonia (wood, machinery), and Italy (iron and steel, optical devices). EU countries remain Latvia's largest export market.

A slight increase in exports was recorded to **other countries**, rising by 0.4%. In this group, export values grew significantly to Nigeria and moderately to Cameroon, Morocco, Senegal, and Côte d'Ivoire (all cereals). Meanwhile, export values declined to Turkey (iron and steel), the USA (wood, electrical equipment), Angola (cereals), and Ukraine (unclassified goods, pharmaceutical products).

The annual decline in import value in August was largely driven by decreases in imports of mechanical equipment, mineral products, and electrical appliances and equipment. This was partially offset by an increase in imports of rail transport and pharmaceutical products.

Overall, during the first eight months of 2024, export values at current prices were 3.4% lower than in the same period the previous year, while import values decreased by 7.7%.

Export growth is expected to remain volatile in the last months of the year, constrained by external demand and geopolitical uncertainty. It remains crucial to continue exploring new supply opportunities and markets for goods.

FOREIGN TRADE OF LATVIA

