

On Foreign Trade in Latvia in July 2024

Both exports and imports of goods increased year-on-year in July 2024

According to the Central Statistical Bureau, in July 2024, the annual export value of goods at current prices increased by 6.5%, while the import value rose more sharply, by 9.3%. Consequently, the trade balance in July slightly worsened year-on-year, amounting to -14.8%.

In July, the annual export value of mineral products, wood and wood products, beverages, iron and steel, and machinery and equipment grew significantly. Conversely, exports of furniture, ornamental plants, vegetables, and land vehicles decreased.

Exports to Latvia's main market—the EU countries—grew significantly by 11.6%. The export value increased notably to Lithuania (mineral products, machinery), Estonia (wood, vehicles), Poland (electrical appliances, machinery), France (electrical appliances, animal feed), and Germany (mineral products, cereals). However, exports to Ireland (animal feed, oilseeds) decreased.

Exports to the CIS countries fell by 3.3% in July. Declines were observed in exports to Kyrgyzstan (ornamental plants, mechanisms) and Uzbekistan (mechanisms), while exports to Russia (beverages) increased by 3.6%. 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 other countries also declined in July, decreasing by 3.6%. Export values dropped significantly to Ukraine (goods with undeciphered codes) and more moderately to Senegal and Ivory Coast (cereals for both) and Iceland (wood). Meanwhile, export values increased to Nigeria (cereals) and the United Kingdom (wood, organic chemical compounds).

The increase in the value of imports in July was significantly influenced by the rise in imports of aircraft and their parts. Imports of mineral products, railway transport, pharmaceutical products, and electrical appliances and equipment also showed more moderate growth. On the other hand, imports of machinery and equipment and land vehicles decreased.

Overall, in the first seven months of 2024, the export value of goods at current prices was 4% lower than during the same period a year ago, while the import value decreased by 7.9%.

Positive export growth is expected to continue in the coming months. However, growth will remain constrained by external demand and geopolitical uncertainty. Under these circumstances, it remains important to seek new supply opportunities and markets for goods.

