

On Foreign Trade of Latvia in 2024 and Q4 2024

In December, exports increased slightly year-on-year to Latvia's main trading partner, the EU, but decreased significantly to the CIS and other countries

According to the Central Statistical Bureau, in December 2024, the annual export value of goods at current prices decreased by 4.5%, while the annual import value decreased slightly more moderately, by 2.5%. As a result, the trade balance in December was -11.6%.

In December, the annual export value of cereal crops, electrical appliances and equipment, as well as mechanisms and devices, decreased more significantly. Exports of beverages, vegetables, and animal feed also declined. On the other hand, exports of wood and its products, land vehicles, and various chemical and pharmaceutical products increased.

In December, annual exports to Latvia's main market, the **EU countries**, increased slightly by 0.7%. The export value grew more notably to Lithuania (vehicles), the Netherlands (mixed chemical products), and Finland (mineral products). However, the export value decreased to Estonia (mineral products), Spain, and Portugal (both – cereals).

Exports to the **CIS countries**, meanwhile, saw a sharp decline of 23.7%. Exports to Russia (beverages, pharmaceutical products) fell significantly, and exports to Belarus (worn clothing, vehicles) also decreased, but more moderately. Beverage exports still account for 40% of all exports to Russia. Pharmaceutical products, footwear, clothing, accessories, perfumery, and other non-sanctioned goods are also being exported.

In December, exports to **other countries** decreased by 11.9%. Among these countries, export value dropped significantly to Ukraine (undeciphered goods), South Africa (cereals), the USA (electrical appliances, mechanisms), Cameroon, and Nigeria (both – cereals). On the other hand, exports increased to Tunisia, Morocco, and Senegal (all three – cereals).

The decrease in imports year-on-year in December was notably influenced by the decline in the value of railway transport and aircraft and their parts. Imports of electrical appliances and equipment, beverages, and optical equipment decreased more moderately. Meanwhile, imports of mineral products and land vehicles increased.

Overall, in 2024, exports of goods at current prices were 1.9% lower compared to the previous year, while imports of goods decreased by 7.4%. Exports of electrical appliances and equipment, machinery, and furniture saw a decline during the year, while exports of wood and its products, as well as food industry products, increased.

It is expected that in 2025, exports of goods will return to positive growth. However, there will still be volatility from month to month, and geopolitical uncertainty will continue to limit growth. In this context, it is crucial to continue seeking new supply opportunities and markets for goods.

FOREIGN TRADE OF LATVIA

