

## On Foreign Trade of Latvia in January 2025

**Exports fell slightly year-on-year in January, albeit imports increased significantly**

According to the Central Statistical Bureau, in January 2025, the annual value of goods exports at current prices decreased by 2.1%. Meanwhile, the value of imports was 16.8% higher than a year ago. The trade balance in January stood at -6.8%.

In January, the annual export value of cereals, aircraft and their parts, vegetables, iron and steel, animal feed, and organic chemical compounds declined most rapidly. Conversely, exports of mineral products, dairy products, oilseeds, and machinery and equipment increased.

Exports to Latvia's main market—the **EU countries**—slightly decreased by 1%. The most significant declines were recorded in exports to Lithuania and Estonia (both due to a decrease in mineral product exports), Denmark (wood, iron, and steel products), and Portugal (cereals). On the other hand, export values increased to Belgium (oilseeds, cereals), the Netherlands (machinery, wood), and Finland (mineral products).

Meanwhile, exports to **CIS countries** fell sharply—by 18.4%. Exports to Russia (beverages, footwear) saw a significant decline, while exports to Belarus (rubber products, pharmaceutical products) decreased more moderately. Beverages still account for a large share of all exports to Russia. Additionally, pharmaceutical products, footwear, clothing and accessories, perfumery, and other goods not subject to sanctions continue to be exported.

Exports to **other countries** also decreased slightly—by 0.5% in January. Among these countries, export values declined significantly to Ukraine (unspecified goods, electrical equipment), Turkey (iron and steel), and Thailand and Angola (both due to lower cereal exports). In contrast, exports increased to Mozambique (mineral products), Morocco (cereals), and Argentina, the Dominican Republic, and Nigeria (all three due to higher mineral product exports).

In January, the annual growth in imports was significantly driven by an increase in the value of imported mineral products, electrical appliances, and equipment. Imports of iron and steel, pharmaceutical products, and wood and wood products also grew, albeit more moderately. In contrast, imports of beverages, aircraft and their parts, and animal feed declined.

Exports are expected to return to positive growth in the coming months of 2025. However, fluctuations will remain on a monthly basis, and geopolitical uncertainty will continue to pose challenges. In this situation, it is crucial to continue seeking new supply opportunities and markets for goods.

