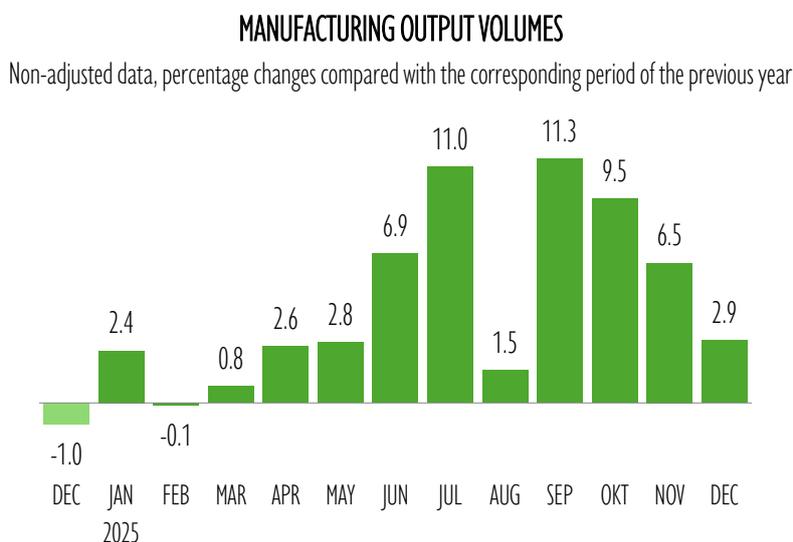


On manufacturing output in December 2025 and in 2025 overall

Stable growth in manufacturing continued in December

With stable external demand remaining in place, manufacturing output increased in most sub-sectors in December 2025. Manufacturing growth in December continued the upward trend observed since March, which also ensured stable growth in manufacturing output in 2025 overall - by 5%.



Similarly to 2025, growth in manufacturing may also be maintained in 2026, largely determined by increasing demand in external markets. International forecasts indicate that global economic growth is becoming more moderate, while remaining resilient. At the same time, global economic development will continue to be affected by potential trade barriers and the fragmentation of supply chains, which increases uncertainty and cost pressures. Despite these factors, industrial activity in Latvia in 2026 is assessed cautiously positively.

At the beginning of 2026, manufacturing growth will be supported by an increase in export volumes and improvements in the economies of trading partners. At the same time, it remains essential for enterprises to increase productivity in order to maintain competitiveness in an environment where the cost structure is becoming more challenging and demand in international markets at the same time remains selective.

A positive contribution to industrial and overall economic growth will also continue to be provided by sectors oriented towards the domestic market. Their development will be strengthened by the preservation of household purchasing power, driven by wage growth and the stabilisation of inflation at lower levels, thereby supporting domestic consumption and demand for locally produced goods.

At the same time, in 2026 manufacturing will be affected by downside risks, mainly related to geopolitical uncertainty and trade policies implemented by the United States. Challenges will remain for enterprises whose activities are still closely linked to the markets of Russia and other CIS countries. Taking into account the international sanctions regime and long-term political instability in the region, these enterprises must continue to diversify export destinations, transform cooperation models and develop more resilient supply chains. At the same time, increasing importance will be attached to the ability to rapidly reorganise production, develop automation and introduce technological innovations that allow productivity to be increased and risks related to external disruptions to be reduced.

In December 2025, compared with December 2024, manufacturing output increased by 2.9% according to non-adjusted data. According to calendar-adjusted data, output increased more moderately – by 0.4%.

In December 2025, on a year-on-year basis according to non-adjusted data, the most significant positive contribution to manufacturing growth continued to be provided by the two largest sub-sectors – food manufacturing (+10.7%) and wood processing (+6.3%). Output also increased steadily in the manufacture of

machinery and equipment (+51.7%), computers and electronic equipment (+22.6%), non-metallic mineral products (+14.5%) and fabricated metal products (+9.5%). Output also increased in other manufacturing sub-sectors.

In December, manufacturing turnover at current prices increased by 5.2% year-on-year. Sales volumes realised in the domestic market grew more rapidly – by 7%, while sales in exports grew somewhat more moderately – by 4.2%. Sales volumes of machinery and equipment, as well as food products, increased significantly. Overall, in 2025, sales volumes of manufactured products were 5.8% higher than in 2024.