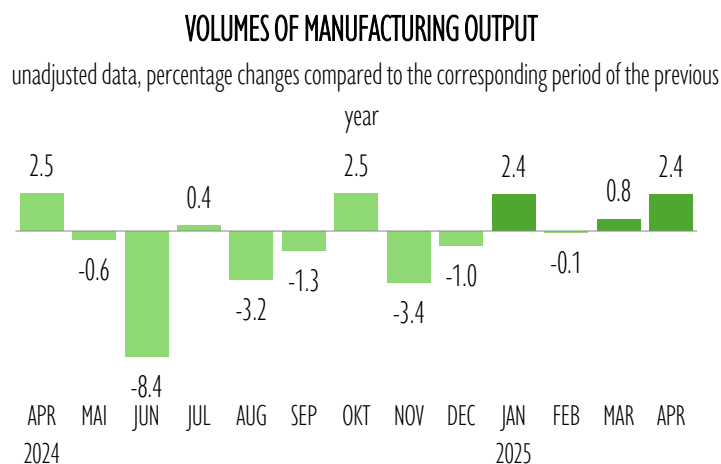


On Industrial Output in April 2025

Manufacturing output increased by 2.4% in April 2025

Along with the stabilisation of demand in external markets and the increase in export volumes, production volumes in manufacturing also continued to grow in April. In April 2025, compared to April 2024, according to unadjusted data, they increased by 2.4%, while according to calendar-adjusted data they increased by 5%. In the first four months of the year, their volumes were 1.4% higher than a year earlier.



Overall, positive growth in manufacturing is expected during the year. This will be driven by the recovery of demand in external markets and the increase in export volumes.

At the same time, positive industrial development will be constrained by geopolitical uncertainty and possible new import tariffs in the US market, which may affect the competitiveness of Latvia's exporting companies. Overall, although the outlook is positive, it will be important for the sector to maintain flexibility and the ability to adapt to changing conditions in global trade. Challenges will remain for companies whose operations are still closely linked to the markets of Russia and other CIS countries – these companies will have to continue restructuring their directions of cooperation, seeking new supply and sales markets.

A positive contribution to growth will also continue to be provided by industries oriented towards the domestic market. Their dynamics will largely be determined by household purchasing power, which is influenced by wage growth, tax changes and the stabilisation of prices.

Different development trends continue to persist across industrial subsectors. In April this year, on a year-on-year basis, according to unadjusted data, the most significant positive impact in manufacturing came from the two largest subsectors – the food industry (+11.7%) and wood processing (+5.4%). Production volumes also increased in non-metallic mineral products (+13.6%), rubber and plastics (+11.4%), and beverages (+10.3%). Meanwhile, production volumes declined in computers, electronic and optical equipment (-9.3%), the chemical industry (-11.4%), and machinery and equipment (-14.2%).

In March, manufacturing turnover at current prices increased by 4.2% year-on-year, driven by the increase in the volumes of output sold both on the domestic market and in exports – by 3.3% and 4.6% respectively. The volumes of sales of food products, electrical equipment and non-metallic mineral products increased most significantly.