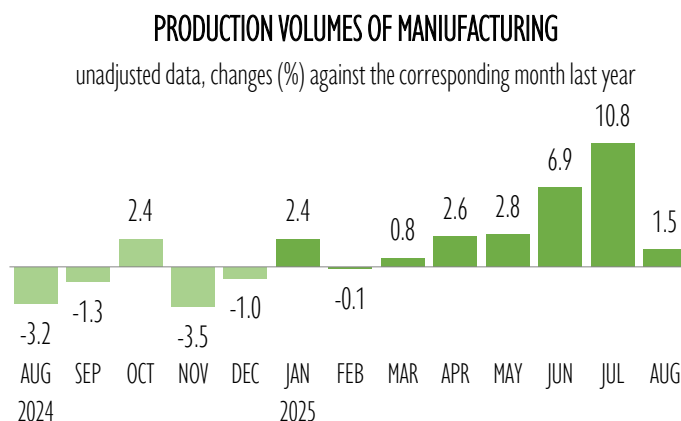


On Manufacturing Output in August 2025

Manufacturing output continues to grow for six consecutive months

As external demand strengthened, manufacturing output continued to expand for the sixth consecutive month in August 2025. Compared with August 2024, unadjusted data show an increase of 1.5%, while calendar-adjusted data indicate a faster rise of 4.1%. From January to August 2025, manufacturing output was 3.6% higher than in the same period of 2024.



In August, according to unadjusted data, the two largest subsectors — wood processing (+6.1%) and the food industry (+9.2%) — made the most significant positive contribution to manufacturing growth for the third consecutive month. Output also increased in the production of fabricated metal products (+12.8%), motor vehicles and trailers (+19.7%), and electrical equipment (+8.9%).

Manufacturing turnover in current prices rose by 4.5% year-on-year in August. The volume of sold products grew more strongly in exports (+6.2%) than in the domestic market (+1.7%). Sales of wood products, food products, and electrical equipment increased notably.

Sectors oriented towards the domestic market also continued to contribute positively to growth. Their performance is supported by household purchasing power, driven by wage growth, tax changes, price stabilisation, and other factors.

Stable growth in the manufacturing sector is expected to continue in the coming months, and overall output in 2025 is projected to significantly exceed 2024 levels. The expansion will remain supported by strong external demand and rising export volumes.

At the same time, the sector's positive performance continues to be constrained by geopolitical uncertainty and potential new U.S. import tariffs, which could affect the competitiveness of Latvian exporters. Overall, although the outlook remains positive, it will be crucial for the industry to maintain flexibility and adaptability to changing global trade conditions. Challenges will persist for companies whose activities remain linked to Russia and other CIS markets — these firms need to continue diversifying and seeking new supply and sales markets.