

## On Industrial Output in September 2025

**In September, manufacturing output recorded the strongest monthly increase in the last four years**

**With external demand continuing to grow, manufacturing output in September 2025 was the strongest since June 2022. Growth has now continued for the seventh consecutive month.**

A positive contribution to growth is also being provided by sectors oriented towards the domestic market. Their dynamics are driven by household purchasing power, including wage growth, tax changes, price stabilisation, and other factors.

Compared to September 2024, according to unadjusted data, manufacturing output volumes increased by 11.3%, while according to calendar-adjusted data the increase was slightly more moderate – at 8.5%.

Overall, in the first three quarters of 2025, according to unadjusted data, manufacturing output was 4.5% higher than a year earlier.

In September this year, on an annual basis, according to unadjusted data, the most significant positive impact on manufacturing growth for the fourth consecutive month came from the two largest subsectors – wood processing (+12.8%) and the food industry (+13%). Output also increased in fabricated metal products (16%), motor vehicles and trailers (+37%), and computers, electronic and optical equipment (+14.5%).

In September, on an annual basis, manufacturing turnover at current prices increased sharply – by 14.1%. Output grew faster in exports – by 16.1%, and more moderately in the domestic market – by 10.5%. A significant increase was recorded in the sales volumes of wood processing products and food products.

It is expected that stable growth will continue in manufacturing in the final quarter of the year, and that overall annual volumes will significantly exceed the 2024 level. Manufacturing growth will continue to be driven by demand in external markets and increasing export volumes.

At the same time, positive industrial development continues to be limited by geopolitical uncertainty and possible US import tariffs, which may affect the competitiveness of Latvian exporting companies. Overall, although the outlook is positive, it will be essential for the sector to maintain flexibility and the ability to adapt to changing global trade conditions. Challenges will persist for companies whose activities are still linked to the markets of Russia and other CIS countries – these companies must continue to restructure their cooperation directions, seeking new supply and sales markets.

