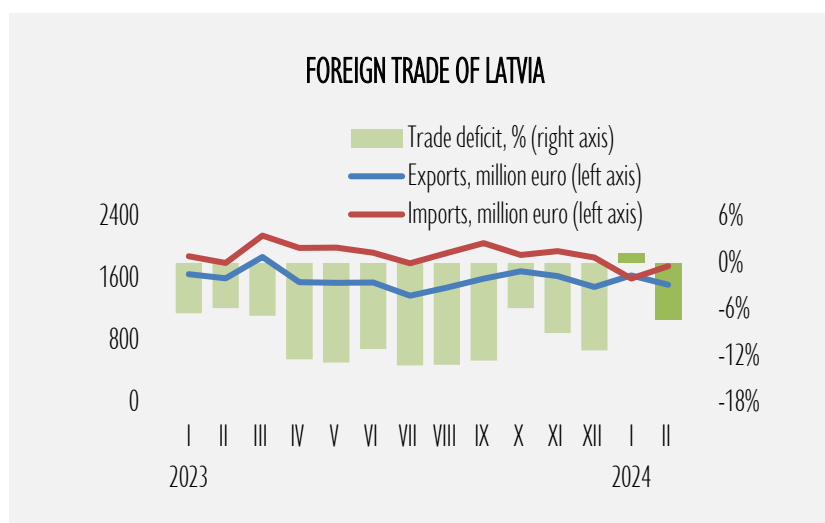


## On Latvia's Foreign Trade in February 2024

**In February 2024, the value of both exports and imports decreased year-on-year**

According to data from the Central Statistical Bureau (CSB), the value of exports of goods in actual prices decreased by 5.3% in February 2024, while the value of imports fell by 2.4%. The decline in the value of both exports and imports year-on-year is still primarily due to lower prices and the base effect. Recent development trends indicate that the rate of export decline is fluctuating but showing a tendency to decrease.



In February, the export value of mineral products continued to decrease significantly for the twelfth consecutive month, contributing substantially to the overall decline in export value. The export value of electrical appliances and equipment, as well as wood and its products, also fell sharply. Exports of beverages, oilseeds, cereals, and other chemical products decreased more moderately. Conversely, exports of pharmaceutical products, iron and steel, milk and dairy products, and cosmetics increased.

Exports to EU countries decreased by 3.8% on an annual basis in February. Export values decreased more sharply to Finland (mineral products), Sweden (wood, mixed chemical products), Lithuania (mineral products, mixed chemical products), and Germany (oilseeds). On the other hand, exports increased to Slovakia (wood, electrical appliances), Estonia (mineral products, iron and steel), Poland (vehicles, iron and steel), and Hungary (mineral products).

Exports to CIS countries also decreased in February, falling by 1.2%. Exports to Russia (beverages) saw a slight decline, while exports to Belarus (optical devices) increased. A large portion of exports to Russia continues to be made up of beverages, along with shoes, clothes, accessories, pharmaceutical products, and other goods not covered by sanctions.

Exports to other countries fell by 12.5% in February. In this group, the value of exports decreased to the United Kingdom (timber, aircraft and parts thereof), Nigeria (cereals), Ukraine (mineral products), and Hong Kong (electrical appliances). Conversely, export values increased to the USA (wood) and to Algeria and Cameroon (cereals).

Similar to exports, the decrease in the value of imports in February was mainly driven by a decline in the value of imported mineral products, which has been falling since February 2013. Imports of electrical appliances and equipment, land vehicles, and machinery and devices also declined significantly. However, the import of aircraft and their parts grew rapidly.

Overall, in the first two months of 2024, the value of goods exported in actual prices was 3.2% lower than a year ago, while the value of goods imported decreased by 9% during this period.

Looking ahead, export growth is expected to remain weak in the coming months, with growth anticipated to return by mid-year. Growth will continue to be constrained by external demand and geopolitical uncertainty. In this context, it is crucial to keep seeking new supply opportunities and markets for goods.