

## On Foreign Trade in Latvia in June 2024

**Exports to CIS countries decreased significantly in June year-on-year**

According to the Central Statistical Bureau, in June 2024, the annual export value of goods at current prices decreased by 9.6%, while the import value declined by 10%.

Exports to CIS countries experienced a particularly significant decrease. The annual decline in foreign trade value remains partially driven by falling prices. The trade balance in June improved slightly year-on-year, amounting to -11.7%.

In June, the annual export value of electrical appliances and equipment, land vehicles, beverages, and machinery and devices declined more sharply. Conversely, cereal crops, wood and wood products, animal and vegetable fats, and animal feed positively contributed to exports. Exports of organic chemical compounds and mineral products also increased but at a more moderate rate.

Exports to the **EU**, Latvia's main market, fell by 6.5% year-on-year. The most significant declines were recorded in exports to Lithuania (vehicles, electrical appliances), Sweden (mixed chemical products), Estonia (mineral products, electrical appliances), the Czech Republic (aircraft and their parts), and Germany (mechanisms, dairy products). However, export values increased to Ireland (animal feed, vegetables) and Belgium (organic chemical compounds, beverages).

Exports to the **CIS countries** dropped sharply in June, down by 32.6%. Exports decreased to Russia (beverages, pharmaceutical products), Uzbekistan (pharmaceutical products), and Belarus (pharmaceutical products, worn clothing). Beverage exports continue to make up a large share of exports to Russia. Footwear, clothing, accessories, pharmaceutical products, and other goods not subject to sanctions are also exported. Meanwhile, exports to Tajikistan (pharmaceutical products) increased slightly.

Exports to **other countries** declined by 9.4% in June. In this group, export values decreased to Ukraine (goods with undeciphered codes, mineral products), Norway (plastic products, furniture), and the USA (optical devices, electrical appliances). However, exports increased to the United Kingdom (wood), Nigeria, and South Africa (cereals to both).

The annual decline in import values in June was mainly driven by reductions in imports of land vehicles, electrical appliances and equipment, mineral products, and machinery and devices. Meanwhile, imports of rail transport, animal and vegetable fats, and organic chemical compounds increased.

In the first half of 2024, exports of goods at current prices were 6% lower than during the same period in 2023, while imports of goods decreased by 11.1%.

Export growth is expected to remain weak in the coming months, with positive growth likely returning later in the year. However, growth will continue to be constrained by external demand and geopolitical uncertainty. It is essential to continue seeking new supply opportunities and markets for goods.

FOREIGN TRADE OF LATVIA

