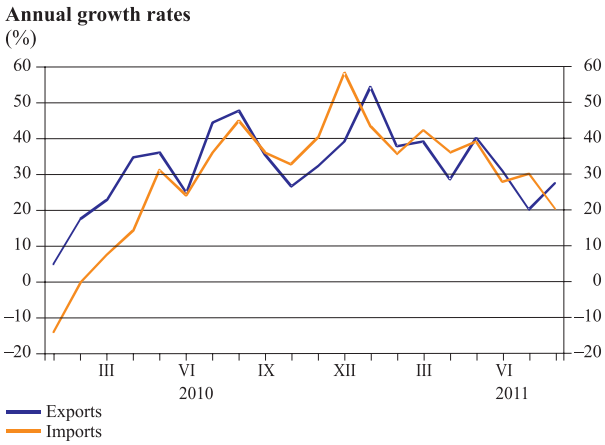
# 1. Highlights

## Exports grow, structure becomes more complicated

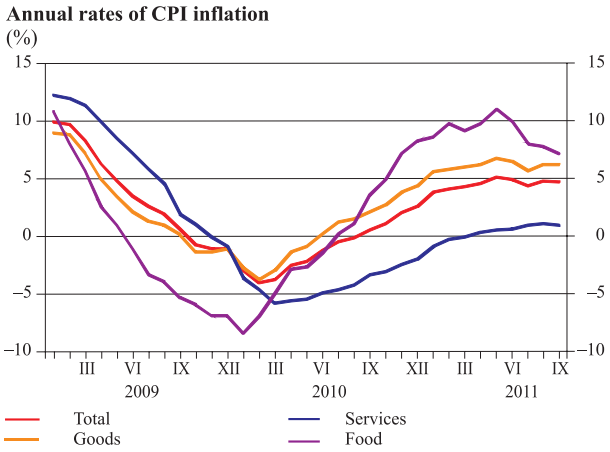



The foreign trade data for August indicate a rise in export volumes, reaching a new export volume record. Over a month, goods exports grew by 13.4% while imports shrank by 1.1%.

A positive development is the fact that the Latvian businesses have expanded their export market shares not only on account of the major groups of export commodities but also because the export structure has become more complicated: new groups of commodities have appeared and the small ones have expanded.

In spite of global developments, Latvian business confidence indicators for the third quarter improved, both in regard to export order volumes and competitiveness. This is a clear sign that the exporters are ready to maintain their existing markets even under less favourable external developments.

## Annual inflation falls

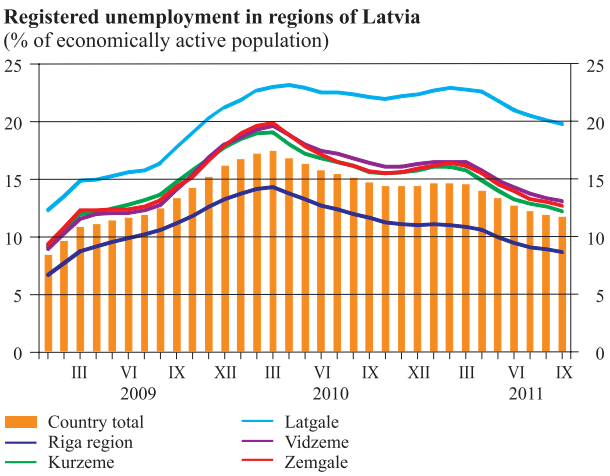



A seasonal rise in prices is usually observed in September and this year was no exception: the average prices went up 0.4% month-on-month. The annual inflation, however, dropped slightly to 4.6%.

Fuel prices were 0.2% lower than in August, reflecting the stabilisation of oil prices. The global price developments found their reflection also in food prices: the prices of bread, fresh fish and oil went down month-on-month.

Inflation can be expected to decline next year. The extent of the decline, however, will depend on the economic growth achieved in European and other countries as well as on the developments in the world commodity markets where uncertainty continues to reign.

## Registered unemployment down




In September, registered unemployment decreased further by 0.2 percentage point and reached 11.6% of the economically active population by the end of the month. The number of registered unemployed has declined by one third in comparison with the peak observed 18 months ago.

In contrast to the 2010 trend, this year the decline in unemployment was broad-based across all regions. It was supported by both the creation of new jobs and gradual restructuring of the unemployment support programme which could have reduced the motivation to register with the State Employment Agency.