

FACTSHEET – CONSUMER GOODS INDUSTRY LATVIA



The consumer goods industry represented 36.8% of Latvian GDP¹ in 2023 (1):

- Consumer Goods Contribution to GDP in Latvia: € 14.8 billion

Consumption is a key contributor to the economy. The Latvian consumer goods industry is an essential motor of the economy, driven by FMCG² Brands.

Household consumption³ in Latvia (2022):

- Represented 58,7% of GDP (2)
- Households spent €2.5 billion on FMCG brands consumed at home (3)
- Fast-Moving-Consumer-Goods (FMCG) brands represented 11% of household consumption at home (4)

The Latvian branded FMCG industry provides choice to consumers across the EU. By exporting their production, FMCG Brands respond to European consumer choice, contribute to the reputation of Latvia around the world while bringing revenues to the government.

Supporting the EU Single Market (2022) (5):

- Latvian FMCG companies exported to other EU countries products with a value of €1.3 billion
- Latvian FMCG companies imported from other EU countries products with a value of €2.3 billion

Promoting Latvia and EU excellence outside the EU (2022):

- Latvian FMCG companies exported €1.1 billion of products to countries outside of the EU

Bringing a positive international trade balance for Latvia (+€ 831 million):

- Latvian FMCG companies imported €268.8 million worth of products from countries outside the EU

The Latvian branded FMCG industry contributed to Latvia's international trade balance by bringing a surplus of € 831 million. The exports are higher than the imports from countries outside the EU.

The Latvian branded FMCG industry is a major contributor to government resources, supporting communities through the payment of many taxes.

Latvian tax revenues in 2022:

- Accounted for 29.6% of Latvia's GDP (6)
- Taxes on production and import represented 14 % of Latvia GDP (45.5% of total tax revenues) (7)
- Taxes on production and imports represented an amount of €5.4billion (8) in 2022.

¹ $GDP = C + I + G + (X - M)$, nominal expenditures approach (Consumption of Household & Government + Investments (gross capital formation) + trade surplus (export – import))

² Fast-moving-consumer-goods (FMCG) = Health&Beauty, Packaged Food, Pet Care, Beverages (alcohol & non-alcohol), Homecare, Paper tissue & hygiene. Products purchased at least once a year vs durable consumer goods

³ Household consumption in addition to FMCG = clothing and footwear; housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance; health; transport, communication, recreation & entertainment including culture; restaurants and hotels; miscellaneous goods and services

The Latvian FMCG industry supports household purchasing power, providing high quality jobs.

In Latvia, in 2022, 39.3% of social protection was funded by employers' contribution (9).

Latvia's FMCG industry in 2021:

- Employed 17.686 people (10)

The Latvian branded consumer goods industry innovates and invests, supporting EU industrial sovereignty and the EU transition to more sustainable production and environment.

FMCG companies invested at least €40.3 million in Latvia (2021):

- €34.2 million in assets⁴ in 23 FMCG categories. This represents at this stage, already, 5.5% of the investments in the manufacturing sector (11)
- €6.1 million in R&D (12)

Total R&D expenditure carried out in Latvia amounted to €292.6 million (2022) (13):

- 36% (€105.3 million) of total R&D expenditure came from the private sector
- 64% (€187.3 million) of total R&D expenditure came from the public sector

Source References:

(1)	Eurostat, National accounts indicator (ESA 2010)
(2)	Eurostat _Household consumption by purpose _November 2023
(3)	Euromonitor Euromonitor: Global Market Research & Industry Analysis - Euromonitor.com
(4)	Eurostat, National accounts indicator (ESA 2010) & Household consumption by purpose
(5)	Euromonitor based on Eurostat, Trade by commodity and NACE Rev. 2 activity
(6)	Eurostat, Tax revenues statistics, 26 October 2023
(7)	Eurostat, Tax revenues statistics, 26 October 2023
(8)	Eurostat, Tax revenues statistics, 26 October 2023 & Datacube, Statistics.sk
(9)	Eurostat May 2023, Social protection benefits, ESSPROS , 2020 data
(10)	Eurostat, Main national accounts aggregates by NACE Rev.2 activity (level 4)
(11)	Eurostat : SBS by detailed NACE Rev.2 activity Gross investment in tangible non-current assets
(12)	Euromonitor based on Eurostat BERD (Business Enterprise R&D), by NACE 4 digit codes for FMCG data
(13)	Eurostat GERD by sector of performance (Gross domestic expenditure on R&D (GERD))

⁴ Gross investment in tangible non-current assets. Data on only 15 FMCG categories on 32 FMCG categories available