

# LATVIAN-ESTONIAN ECONOMIC RELATIONS 1918–1940<sup>1</sup>

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## Abstract

This paper provides an overview of Latvian-Estonian economic relations in the interwar period. In the interwar period, economic relations between Latvia and Estonia were mainly confined to foreign trade, although there were some investments in Latvia from Estonia, as well as tourism. Latvia's foreign trade in relation to Estonia was regulated by a number of trade treaties and agreements entered into in 1923, 1927, 1928, 1931, 1932, 1935, and 1937. Latvia's main imports from Estonia in the interwar period were horses, cement, petroleum products from oil shale (including bitumen, crude oil, etc.) – except petrol, petrol, and fabrics (cotton, linen, wool, etc), whilst Latvia's main exports to Estonia were linoleum, machinery (agricultural and industrial), timber and timber products (including plywood), rubber goods (including galoshes), paints, inks, and paint products, sugar, as well as radios. In general, trade and thus economic relations were of marginal significance to both countries in the interwar period due mainly to similarities in their agriculturally based economic structures.

**Keywords:** Latvia, Estonia, economic relations, foreign trade, interwar period.

## Introduction

Latvia and Estonia share a long common history, having since the 13<sup>th</sup> century been ruled by the Livonian Order, Poland-Lithuania, Sweden and finally, until achieving independence in 1918, the Russian Tsarist Empire. Estonia proclaimed its independence on 24 February 1918 and Latvia on 18 November 1918. On 21 July 1919, Latvia and Estonia entered into an agreement on the sorting of loans, the setting of borders and other issues, which also meant mutual *de facto* recognition.<sup>3</sup> Latvia was recognised *de iure*

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<sup>3</sup> Latvijas Brīvības cīņas 1918–1920 (1999), p. 196.

by Western Europe on 26 January 1921<sup>4</sup>. On 28.02.1921, Estonia recognised Latvia *de iure* (Latvia recognised Estonia *de iure* on 02.03.1921).

Latvia's first diplomatic representative, Jānis Ramans, was sent to Tallinn in December 1918<sup>5</sup> and assisted in negotiating the 1919 agreement. On 07.05.1921, Latvia's first Envoy to Estonia, Jānis Seskis<sup>6</sup>, was appointed. Apart from the Legation in Tallinn, Latvia also had consulates in Valga (or Estonian Valka as the Latvians insisted on calling it), Narva, Pärnu, Tallinn and Tartu (in Latvian Tērbata). Estonia's first diplomatic representative, Theodor Tallmeister, was sent to Rīga in July 1919.<sup>7</sup> On 22.03.1921, Estonia's first Envoy to Latvia, Aleksander Hellat<sup>8</sup>, was appointed. Apart from the Legation in Rīga, Estonia also had consulates in Rīga, Liepāja and Valka.

During the Latvian War of Independence, the Latvians and Estonians coordinated closely and fought side by side. This co-operation culminated in the Battle of Cēsis from 6 to 23 June 1919 when the combined Latvian and Estonian forces defeated the Baltic Germans' land defence forces (*Baltische Landeswehr*), which was a decisive battle in the both the Estonian War of Independence and the Latvian War of Independence.<sup>9</sup> The 23<sup>rd</sup> of June is still an important National Day (*Võidupüha* or Victory Day) for the Estonians and is celebrated as an Estonian public holiday.

**Table 1. Selected economic indicators for Latvia and Estonia in the interwar period**

	Latvia	Estonia
Population (millions)	2 (1939)	1 (1939)
Share of urban population (%)	34.6 (1935)	28.9 (1935)
GDP <sup>*</sup> per capita	4048 (1938)	3771 (1938)
Average annual growth rate (GDP per capita) 1920–1929	5.31	4.1
Average annual growth rates (GDP per capita) 1929–1938	4.1	3.3
% share in GDP of agriculture and forestry	39.2 (1938)	46.7 (1938)
% share in GDP of industry	20.5 (1938)	24.3 (1939)

\* GDP measured in 1990 International Geary-Khamis dollars

Sources: Darbiņš, A. & Vītiņš, V. (1947); Broadberry, S. & O'Rourke, K. H. (2016); Valge, J. (2003); Madison, A. (2003); Pullerits, A. (ed.) (1935)

<sup>4</sup> LVVA, 2570. f., 3. apr., 1148. l. p. 27.

<sup>5</sup> Jēkabsons, Ē. & Ščerbinskis, V. (eds) (2003), p. 365.

<sup>6</sup> Andersons, E. (1982), p. 140.

<sup>7</sup> Jēkabsons, Ē. & Ščerbinskis, V. (eds) (2003), p. 394.

<sup>8</sup> Andersons, E. (1982), p. 140.

<sup>9</sup> For detailed account see Jēkabsons, Ē. (2014).

As can be seen from Table 1, Latvia's population was twice the size of Estonia's and Estonia was less urbanised than Latvia in the interwar period. Nevertheless, although their economic structures were very similar (primarily dairy farming, forestry and agriculture), Latvia had less of a % share in GDP of agriculture and forestry than Estonia. However, Estonia had a larger % share in GDP of industry (mainly due to the exploitation of oil shale). Thus, both Latvia and Estonia had for all intents and purposes agricultural economies. However, there was a difference in natural endowments. Estonia was (and is) particularly rich in oil shale deposits. Latvia, on the other hand, had only gypsum deposits, as well as extensive deposits of peat.<sup>10</sup> Interestingly, Latvia's average annual growth rates both pre- and post the Great Depression were larger than that of Estonia, as well as a total GDP per capita higher than Estonia. Of course, both Latvia and Estonia started from a very low base.

### Latvian-Estonian Economic Relations 1919–1940

Estonian and Latvian trade came into existence soon after the mutual *de facto* recognition in 1919 and prior to the Estonian recognition of Latvia *de iure*. In the second half of 1919 (from 08 July to 31 December), Latvian exports to Estonia totalled 4281.53 lats, but imports from Estonia totalled 57797.31 lats.<sup>11</sup> In 1920, imports from Estonia accounted for 2.64 % of total imports, and exports 0.42 % of total exports.<sup>12</sup> In a sense, the pattern of Estonian-Latvian trade for the 1920s was set.

In the interwar years, Latvian and Estonian economic relations was mainly confined to foreign trade and investment although other forms of economic relations such as tourism were also important<sup>13</sup>.

Latvia's foreign trade in the interwar was based in large measure on a system of commercial and trade treaties. By 1929, Latvia had concluded commercial treaties with all important European states (except Spain). They provided the regulatory framework within which were stated the obligations undertaken by Latvia in its foreign trade relations with its trading partners up to 1931. All these treaties contained the Most Favoured Nation (MFN) principle, as well as in practically all, the Baltic and Russian clause. The Baltic and Russian Clause stipulates that the priority rights and

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<sup>10</sup> For a detailed study of the peat industry in Latvia in the interwar period, see Karnups, V. P. (2016).

<sup>11</sup> *Ekonomists*, 1920, No. 3, p. 90.

<sup>12</sup> *Latvijas statistiskā gada grāmata* (1920), p. 119.

<sup>13</sup> In 1930, 20301 tourists ( or 24.4 % of all foreign tourists) from Estonia visited Latvia (*Ekonomists*, 1931, No. 20, p. 738).

privileges, allowed to Estonia, Finland, Lithuania, and Russia, may not be made applicable to other contracting states by virtue of the most-favoured-nation principle. Estonia in most cases also included the Baltic and Russian clause in their commercial treaties.

In the early 1920s, the Latvian Foreign Minister, Z. Meierovics, tried to involve Finland, Estonia, Lithuania, and Poland in the creation of a political and economic bloc, but to no avail.<sup>14</sup> With Finland's orientation to Scandinavia and the on-going Polish-Lithuanian conflict, Latvia and Estonia, on 1 November 1923, signed a military defence alliance<sup>15</sup>, as well as a 'Preliminary Treaty regarding the economic and customs union between Estonia and Latvia'.<sup>16</sup> Thus, the main result of attempts at economic cooperation on a pan-Baltic regional basis was the 1923 customs agreement between Estonia and Latvia, which would apply only to the products of the two countries. The details of the customs union were to be worked out by a special bipartite commission, which could not agree and the customs union treaty was soon reduced to a quasi-free trade agreement. On 5 February 1927, a new treaty on the customs union annulling the 1923 treaty ('Treaty for the Execution of the Customs Union, with Final Protocol, signed at Riga, February 5, 1927, and Additional Protocol, signed at Riga, March 3, 1927')<sup>17</sup> with a much wider scope was concluded.<sup>18</sup> This treaty could not be put into practice as it was found to be impossible to bring into harmony those internal laws of either side, which had to be co-ordinated before a customs union could be achieved. Basically, both sides had given up the idea of a customs union as impractical.

On 25 March 1928, a 'Provisional Economic Treaty, with Final Protocol'<sup>19</sup>, was concluded, based on the most favoured nation principle and minimum rates of customs tariffs. This treaty was followed by a supplementary agreement on 03 June 1931 ('Estonia and Latvia. Additional Agreement to the Provisional Economic Treaty between the two Countries, with Final Protocol')<sup>20</sup>, which consisted of lists of goods – List A, goods from Estonia to Latvia and List B, goods from Latvia to Estonia – which would receive preferential treatment. The Agreement was within the stipulations of the Baltic and Russian clause and therefore did not apply to third countries.

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<sup>14</sup> See Varslavans, A. (1988) for a more detailed examination of this period.

<sup>15</sup> See Kaslas, B. J., (1976), pp. 149–151 for details of the defence alliance.

<sup>16</sup> League of Nations, Treaty Series, Vol. XXV, 1924, pp. 359–367.

<sup>17</sup> League of Nations, Treaty Series, Vol. LXII, 1927, pp. 319–327.

<sup>18</sup> It was not restricted only to the products of the two contracting parties.

<sup>19</sup> League of Nations, Treaty Series, Vol. LXXII, 1928, pp. 195–201.

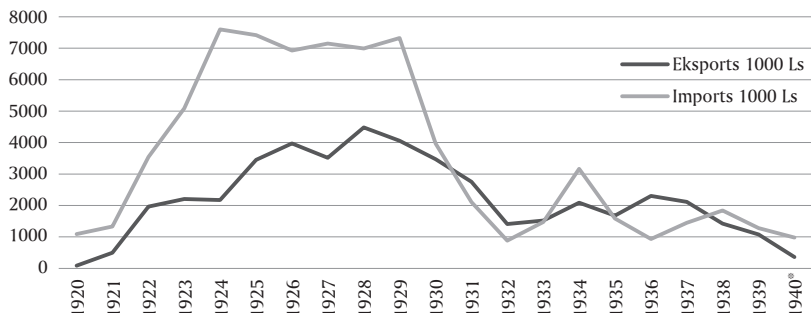
<sup>20</sup> League of Nations, Treaty Series, Vol. CXX, 1931–1932, pp. 235–249.

A Protocol of Amendments to the 1931 supplementary agreement was concluded on 14.11.1932. Additional protocols and amendments to the 1931 supplementary agreement were concluded on 07.12.1935 and 10.02.1937. The 1931 supplementary agreement and 1932 protocol were tariff treaties, by which special preferences were granted to certain commodities in the form of lists of goods. Estonia terminated these treaties with effect from 01.10.1938, leaving only the 1928 treaty in force.

As a result of the Great Depression, on 10 April 1935, Latvia agreed with Estonia to settle payments in trade in goods between Latvia and Estonia. The ‘Clearing Agreement between Estonia and Latvia and Exchange of Notes relating thereto’<sup>21</sup> became operational on 29 April 1935. This was amended on 10 February 1937 following the Latvian 1936 devaluation of the Lat<sup>22</sup> (as stipulated in Article 8 of the Clearing Agreement).

## Latvian-Estonian Trade 1920–1940

As noted previously, some Latvian-Estonian trade had occurred in 1919. The value of Latvian imports from and exports to Estonia can be seen in the Figure 1.



\* 1940 for January–March only

**Figure 1. Latvia-Estonian Imports and Exports 1920–1940**

Sources: *Latvijas statistiskā gada grāmata* [Latvian Statistical Yearbook]. 1921–1939; *Mēneša Biļetens* Nr. 10, oktobris 1939 [Monthly Bulletin, No. 10, October 1939]; *Strukturbericht über das Ostland*. Teil I: *Ostland in Zahlen* (1942); LVVA, 1314. f., 5. apr., 100. l., pp. 39–40

As Figure 1 shows, from a low start imports increased dramatically in the early 1920s. The hopes accompanying the Customs Union agreement in

<sup>21</sup> League of Nations, Treaty Series, Vol. CLIX, 1935–1936, pp. 103–111.

<sup>22</sup> For details of the Latvian 1936 devaluation see Karnups, V. P. (2002), pp. 208–219.

1923 further stimulated imports, which reached a pre-depression peak of some 7603 thousand lats in 1924. Imports remained steady with beginning of the Great Depression, reaching another peak of some 7323 thousand lats in 1929, probably due to the signing of the Economic Treaty in 1928. Nevertheless, as the Depression deepened there a dramatic fall in imports. Imports recovered somewhat after Estonia's devaluation in 1933<sup>23</sup>, with a peak of 3162 thousand lats in 1934. Similarly, a slight peak of 1844 thousand lats in 1938 was probably an effect of the 1936 devaluation of the lat. Exports, on the other hand, increased more slowly with a pre-depression peak in 1928 and a value of 4484 thousand lats. Exports fell somewhat with Great Depression, but recovered slowly rise to reach a post-depression peak of 2305 thousand lats in 1936. Thereafter they continued to decrease to 1940.

As Estonia and Latvia had very similar economic structures based on agriculture, Latvia's main exports to Estonia were manufactured goods. The exception being forestry products. Similarly, Latvia's main imports from Estonia were manufactured goods. The exception being horses.

Generally, imports exceeded exports throughout the interwar period.

## Latvian Exports to Estonia

Latvia's main exports to Estonia were Timber and timber products (including plywood), Machinery (agricultural and industrial), Linoleum, Sugar, Rubber goods (including galoshes), Radios and Paints, inks and paint compounds (See Table 2).

Linoleum was a significant export to Estonia in the 1920s. Linoleum in Latvia was produced by the Liepāja branch of the Swedish entrepreneurial family firm of Wicander (Linoleum Aktiebolaget Forshaga), the "Liepāja Cork and Linoleum Factory", which before the First World War had produced linoleum for the Russian market. After the war the factory renewed production, but already in 1922 was subject to the control of an international linoleum cartel based in Britain. However, in 1927, the Wicander firm sold its Liepāja branch to another cartel, which was based in Germany. The factory completely ceased production in 1930 and the last shipment of linoleum to Estonia was in the same year. Its place was to a certain extent taken up by the export of radios in the 1930s, reaching a peak of 163 thousand lats in 1936. Latvian-made radios were popular throughout the Nordic and Baltic region.

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<sup>23</sup> For details on the Estonian 1933 devaluation and effect on Estonian-Latvian trade see Stern, K. (2016), pp. 51–54.

Table 2. Latvia's Main Exports to Estonia (1920–1940)

Year	Linoleum		Machinery (agricultural and industrial)		Paints, inks and paint compounds		dataRubber goods (including galoshes)		Timber and timber products (including plywood)		Sugar	
	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)
1920												
1921	0	0	125	77	Less than 1 tonne	Less than 1000 Ls	No data	Less than 1000 Ls	349	15	0	0
1922	9	16	879	520	5	34	Less than 1 tonne	Less than 1000 Ls	289	47	0	0
1923	60	79	655	66	No data	No data	No data	No data	3023	423	0	0
1924	37	46	175	192	24	78	11	57	1787	102	0	0
1925	34	48	298	242	45	75	45	375	1404	51	0	0
1926	43	67	260	252	255	112	65	580	643	11	0	0
1927	30	46	260	238	585	160	73	753	1456	8	0	0
1928	63	95	235	251	489	172	98	914	6429	156	0	0
1929	76	87	291	288	373	156	108	1080	10776	296	0	0
1930	30	36	159	153	190	138	62	645	11721	253	0	0
1931	0	0	89	97	182	144	83	627	6437	87	0	0
1932	0	0	48	38	232	157	50	310	834	7	249	118
1933	0	0	35	26	282	163	53	278	720	27	700	338
1934	2	11	22	18	239	133	71	246	349	17	1000	357
1935	4	22	6	10	186	94	82	256	370	22	0	0
1936	17	163	25	18	212	120	124	547	394	66	1749	531
1937	6	87	9	15	233	227	94	488	7621	182	267	148
1938	11	137	33	187	303	219	86	447	307	45	0	0
1939	*Less than 1 tonne	Less than 1000 Ls	2	10	86	56	51	194	0	0	0	0
1940							No data					

\* January–August 1939 (with commencement of WWII, Latvia ceased publication of detailed foreign trade statistics)

Sources: *Latvijas statistiskā gada grāmata* [Latvian Statistical Yearbook], 1921–1939; *Latvijas ārējā tirdzniecība un transitis – 1924–1939* [Latvian Foreign Trade and Transit, 1924–1939]; *Mēneša Biļetens* Nr. 10, oktobris 1939 [Monthly Bulletin, No. 10, October 1939]

An important and consistent export to Estonia was paints, inks, and paint compounds, mainly in the 1920s (reaching a peak in terms of volume in 1927), but still holding steady in the 1930s (reaching a peak in terms of volume in 1938). Machinery (agricultural and industrial) was also an important export to Estonia in the 1920s, but declined in the 1930s as Estonia utilised other sources (Great Britain and Germany). Rubber goods (including galoshes) were steady and consistent export reaching a pre-Depression peak of 1080 thousand lats in 1929 and a post-Depression peak of 488 thousand lats in 1937.

Interestingly, Latvia exported fairly large quantities of timber and timber products (including plywood) to Estonia despite the fact that for Estonia itself such products made up a significant part of their exports. Exports of timber and timber products to Estonia reached a peak in terms of quantity in 1929 and 1930 of 10 776 and 11 721 tonnes respectively. Sugar became an important export to Estonia in the 1930s, reaching a peak in terms of both quantity and value in 1936. This was because Estonia, unlike Latvia and Lithuania, was too far north to successfully grow sugar beet.

Latvia also exported various quantities of paper products, metal products (such as nails and wire); bicycles, seeds, hides and furs, and fish and fish conserves, as well as small quantities of other goods.

## Latvian Imports from Estonia

Latvia's main imports from Estonia were Horses, Cement, Petroleum products from oil shale (including bitumen, crude oil, etc.) – except petrol, Petrol, and Fabrics (cotton, linen, wool, etc). The amounts and value of Latvia's main imports from Estonia in the interwar period are shown in Table 3.

Horses were an important part of Latvian farm production as the level of farm mechanisation was very low.<sup>24</sup> Although Latvia mainly imported horses from Lithuania for its farms, a significant number also came from Estonia. Horses from Estonia were imported mainly in the 1920s, reaching a peak in 1924 with 1287 horses imported. The numbers diminished in the 1930s as Latvia came to rely on imported Lithuanian horses.

In the 1920s, cement was an important import from Estonia, reaching a peak in 1926. In the 1930s, it was still a significant import product even though Latvia was producing its own cement in large quantities. The large shipment in 1938 was probably associated with the building of the Ķegums Hydroelectric Power Station.

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<sup>24</sup> On 01.07.1940 there were 1314 tractors in the whole of Latvia. (Strods, H. (1992), p. 165)



Table 3. Latvia's Main Imports from Estonia (1920–1939)

Year	Horses		Cement		Petroleum products from oil shale (including bitumen, crude oil, etc.) – except petrol		Petrol		Fabrics (cotton, linen, wool, etc)	
	No. of horses	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)	Tonnes	Value (1000 Ls)
1920						No data				
1921	3	1	412	30	0	0	0	0	111	707
1922	979	456	1706	82	Less than 1 tonne	Less than 1000 Ls	Less than 1 tonne	Less than 1000 Ls	228	1333
1923	1089	620	4930	275	Less than 1 tonne	Less than 1000 Ls	Less than 1 tonne	Less than 1000 Ls	420	2705
1924	1287	510	8714	444	Less than 1 tonne	Less than 1000 Ls	20	8	541	4619
1925	886	336	7992	393	7992	393	61	7	535	4051
1926	941	335	13175	642	Less than 1 tonne	Less than 1000 Ls	6	3	585	4108
1927	865	241	11151	554	0	0	Less than 1 tonne	Less than 1000 Ls	709	4245
1928	898	244	8931	488	Less than 1 tonne	Less than 1000 Ls	Less than 1 tonne	Less than 1000 Ls	624	3778
1929	615	166	11890	594	67	7	Less than 1 tonne	Less than 1000 Ls	535	3345
1930	774	239	8342	401	4	Less than 1000 Ls	Less than 1 tonne	Less than 1000 Ls	247	1642
1931	407	121	8786	393	3	Less than 1000 Ls	209	85	48	287
1932	67	15	3558	191	13	2	547	195	11	42
1933	332	61	4038	221	1880	169	1227	395	124	150
1934	273	53	5507	298	2704	178	1844	556	123	1308
1935	15	9	541	21	3239	188	715	216	69	789
1936	7	8	1744	67	3606	259	1263	365	9	77
1937	4	7	247	10	3469	370	1363	436	33	423
1938	9	12	10904	457	2821	306	1651	314	9	132
1939*	0	0	1814	72	2812	266	33	4	0	0
1940						No data				

\* January–August 1939 (with commencement of WWII, Latvia ceased publication of detailed foreign trade statistics)

Sources: *Latvijas statistiskā gada grāmata* [Latvian Statistical Yearbook], 1920–1939; *Latvijas ārējā tirdzniecība un transitis – 1920–1939* [Latvian Foreign Trade and Transit, 1920–1939]; *Mēneša Biļetens* Nr. 10, oktobris 1939 [Monthly Bulletin, No. 10, October 1939]

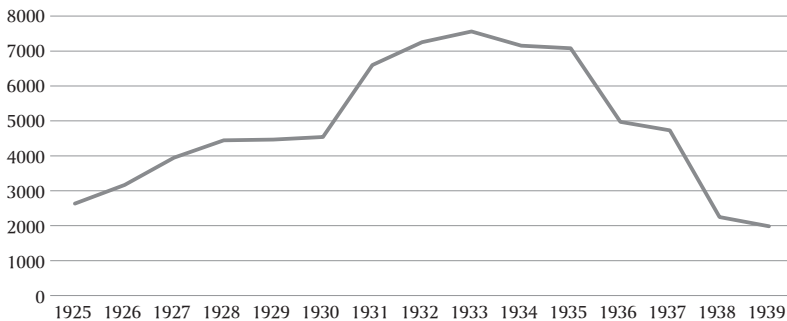
A significant import from Estonia was petroleum products from oil shale, as well as petrol from the same source. Although there was intermittent importation in the 1920s, this became especially important in the 1930s as the Latvian economy modernised and petroleum products became more widely used. Imports of petroleum products reached a peak in terms of quantity in 1936 and in terms of value in 1937. Similarly, petrol reached a peak in terms of both quantity and value in 1934.

A small but consistent import from Estonia in the interwar period was fabrics of all kinds (cotton, linen, wool, etc), mainly in the 1920s reaching a peak in 1927. These continued to be a noteworthy import in the 1930s even as Latvia's own textile industry grew and expanded.

Latvia also imported various quantities of pigs and piglets, cellulose, thread and seeds, as well as small quantities of other goods.

### Estonian investments in Latvia 1925–1939

Foreign capital in Latvia was mainly invested in banking, industry, transport, and trade. By 1927, over 60 % of the equity capital of all Latvian joint-stock banks<sup>25</sup> was foreign owned, while foreign capital comprised 27.8 % of aggregate capital in insurance, 33.9 % in trade (commerce), 63.1 % in transport and about 50 % in industry.<sup>26</sup> Many investors hoped that from Latvia they would be able to expand in the huge Russian market. Figure 2 provides an overview of Estonian investments in the interwar period.



**Figure 2. Estonian investments in the Company Capital of Latvian Undertakings (as at 1 January) 1925–1939 (1000 lats)**

Sources: *Latvijas statistiskā gada grāmata*. 1929, 1939 [Latvian Statistical Yearbook 1929, 1939]; *Latvijas PSR statistikas tabulas* (1940)

<sup>25</sup> For a brief overview of banking in Latvia in the interwar period see Hiden (2000), pp. 133–149.

<sup>26</sup> *The Latvian Economist* (1928), p. 24.

From Figure 2, it can be seen that up to 1933 Estonian capital investment increased to a peak in 1933 with a value of 7560 thousand lats, and then decreased for the rest of the 1930s. The decrease accelerated after 1934, when the nationalistic Ulmanis regime began to systematically reduce the amount of the foreign investment stock. Foreign investment stock in the company capital of Latvian undertakings overall was reduced from 50.4 % in 1934 to 25.4 % in 1939 of which the reduction in industry was from 52.4 % in 1934 to 31.9 % in 1939, in commerce from 35.9 % to 28.2 % and in finance and banking from 62.4 % to 9.7 %.<sup>27</sup> Estonian investments in 1930 were mainly in the paper industry, transport, textile industry and banks.<sup>28</sup> By 1939, the only notable investment sector left was the textile industry.<sup>29</sup>

## Conclusion

In the interwar years, Latvian and Estonian economic relations was mainly confined to foreign trade and investment although other forms of economic relations such as tourism were also important. Nevertheless, despite geographical proximity the fact of similar export products made significant inter-state trade between Latvia and Estonia unprofitable.

In 1929, when Latvian foreign trade reached its pre-Depression peak, Latvian exports to Estonia made up 1.48 % of total Latvian exports, and Estonian imports made up 2.02 % of total Latvian imports. However, in 1937, when Latvian foreign trade reached its post-Depression peak, exports to Estonia were only 0.8 % of total Latvian exports, and imports from Estonia were only 0.6 % of total Latvian imports. One suspects that the figures from the point of view of Estonia would be similar. In other words, trade and thus economic relations were of marginal significance to both countries in the interwar period.

It is interesting to note that in 2020, Latvian exports to Estonia totalled some 1.45 billion EUR or 11.7 % of total Latvian exports (mainly timber and timber products, electrical goods, machinery, vehicles, and plastics). Whilst imports from Estonia totalled 1.29 billion EUR or 8.5 % of total Latvian imports (mainly vehicles, electrical goods, mineral products, timber and timber products, and plastics). Trade with Estonia has increased significantly since both Latvia and Estonia joined the EU in 2004. At the end of 2020, total Estonian FDI in Latvia was 2.3 billion EUR, whilst total Latvian FDI in Estonia was 258 million EUR.

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<sup>27</sup> Finanču un kredīta statistika (1939), p. 172.

<sup>28</sup> Latvijas Statistiskā gada grāmata (1930), p. 290.

<sup>29</sup> Latvijas PSR Statistikas tabulas (1940), p. 170.

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